



## Half-Yearly Report to Shareholders 2021

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# Chairman's Statement

## Review of the period

I am pleased to say these interim accounts, unlike the accounts for the past few years, are relatively simple with no goodwill write-offs, no extraordinary expenses, no corporate reconstructions and no subsidiaries being placed into administration.

However, whilst profitable, these results continue to show the impact of the pandemic and the various lockdowns. The whole six-month accounting period being reported on fell into a time of a national lockdown which ended on 19 July 2021. In reality, because of business seasonality, it might well be that in some of the CEPS companies there may be little or no recovery in the current year. We must, therefore, look to the future, and by that, I mean the results for the year ending 31 December 2022, which will be reported in May 2023, for a true representation of the real potential of the CEPS Group.

As a Board we are confident of better returns for the CEPS Group in the future as the UK economy continues to recover back to, and in time, exceed its pre-pandemic level. Whilst the Company as a stand-alone legal entity does have a high level of debt of some £5.85m, this debt has been lent, firstly, by me personally, secondly, from a corporate entity that my family controls and, thirdly, from an individual for whom the sum advanced is guaranteed by me. This debt will, in time, be repaid as the subsidiaries make increasing profits, generate cash and repay loans advanced from CEPS.

Aford Awards Limited ('Aford Awards') reported sales that remained well down on the comparable period in pre-pandemic 2019, but demonstrated a continuing recovery throughout the period, reflecting the gradual opening of society and of more sporting events taking place. Shareholders will have seen the recent, complicated announcement about the acquisition of three small business entities which will be incorporated into the current operational unit in Maidstone from September 2021 onwards. As was flagged in the 2020 Annual Report, this consolidation process is being driven by the new management team introduced in the second half of last year. Subject to prudent integration, it is the intention to make a series of these types of acquisitions in the future.

Friedman's Limited ('Friedman's'), including Milano International Limited ('Milano International'), has reported a decline in sales and profitability in the period as compared to 2020 because the first three months of 2021 were locked down and the comparable three months in 2020 were not. As we know, the majority of the six-month period to June 2021 was impacted by the ongoing restrictions resulting from the third lockdown. Whilst in H1 of 2021 sales in Friedman's started to gradually recover, the sales in Milano International, a supplier of leotards and gymnastic clothing, did not. The management team is not expecting any improvement in Milano International's sales until gymnastics clubs and schools are fully open and operational from September 2021 onwards.

The enlarged Hickton group has included Cook Brown Building Control Limited and Cook Brown Energy Limited for a full six months in H1 2021 as compared to only three months in H1 2020, and now also includes the recent acquisition of Millington Lord, which became part of the CEPS Group from 15 March 2021. The purchase of Millington Lord Limited ('Millington Lord') was initially financed by Hickton Group Limited ('Hickton Group') and subsequently partially refinanced by the shareholders, with CEPS borrowing a further £150,000 from Chelverton Asset Management Limited to enable it to make a further investment in Hickton Group. The shareholding of CEPS in Hickton Group, notwithstanding this further investment, declined from 54.7% to 52.4% at the time of this investment. The Board of Hickton Group is pleased with the performance in the period but is concerned with the issue of recruiting the necessary quality of staff needed to continue to grow the business. This is a problem common to many industry sectors and much reported on in the UK economy.

The new associate company, being the merger of the previously 85% subsidiary Davies Odell Limited ('Davies Odell') with Vale Brothers Limited ('Vale Brothers') by the setting up of a new holding company called Vale Brothers Group Limited, produced a small profit contribution of £25,000. Whilst this is the first positive contribution connected with Davies Odell for seven years, it is still disappointing as this was effectively achieved from the cost-cutting in Davies Odell, made possible by the

## Chairman's Statement continued

merger with Vale Brothers. We look forward to an improved performance from Vale Brothers Group Limited in 2022.

On behalf of all shareholders, I would like to thank all my colleagues in the CEPS Group for what was achieved in the first six months of this year. Each company has had to adapt its business to face a whole series of different challenges and it is only through the phenomenal collective effort across the CEPS Group at all levels that this progress has been made.

### Financial review

As a result of the CEPS Group restructuring that has taken place over the last three years, the results for H1 2021 reflect the performance of the continuing operations, namely Aford Awards, Friedman's, including Milano International, and Hickton Group. Revenue from continuing operations for the six months ended 30 June 2021 was £8,970,000, an increase on the very depressed level of £6,299,000 in 2020, which included £5,414,000 of revenue from continuing operations.

Aford Awards generated revenue of £515,000 for the first six months of 2021 compared to £390,000 for the same period in 2020. The segmental result presented as EBITDA before exceptional items was £164,000, an improvement on H1 2020 (£57,000). However, when compared to H1 2019, when revenue was £1,094,000 and EBITDA was £285,000, the impact of the pandemic on the company's performance becomes clear.

As already mentioned, sales of Milano International's products continue to be diminished by the restrictions resulting from the pandemic. Revenue from Friedman's and Milano International was £1,857,000 in H1 2021 compared to £2,149,000 in H1 2020 and EBITDA before exceptional items was £82,000 compared to £304,000 in the respective periods. Given that the latest restrictions were only lifted on July 19, after the period end, this was a creditable result in the circumstances.

A meaningful comparison between the results for Hickton Group in H1 2021 and 2020 is more difficult as we are not comparing like-with-like in terms of the group's component parts, as described above. Suffice to say that the construction sector has recovered more quickly than the leisure sector. Revenue was £6,598,000 in the first half of 2021 compared to £2,875,000 in H1 2020 and

EBITDA before exceptional items was £1,026,000 for the six-month period to 30 June 2021 compared to £515,000 for the six months to 30 June 2020.

The operating profit before exceptional items for CEPS for H1 2021 was £855,000 and for H1 2020 was £213,000, split between an operating profit before exceptional items from continuing operations of £357,000 and an operating loss before exceptional items of £144,000 from discontinued operations. Whilst acknowledging that the profit improvement is largely due to the growth of the Hickton group of companies and the recovery of the construction sector, the Board is hopeful that this profit improvement is an early indication that the CEPS Group restructuring is proving to be successful.

Included within operating profit before exceptional items is other operating income of £240,000 for the period to June 2021 and £563,000 for the six months to 30 June 2020, split between continuing operations of £447,000 and discontinued operations of £116,000. This income was derived from the Coronavirus Job Retention Scheme grant and other similar government grants and the fact that it has reduced so much when comparing the periods reflects, not only the gradual withdrawal of this support, but also the gradual return to work of the CEPS Group's employees.

Also included within operating profit before exceptional items are CEPS Group costs. These have reduced from £254,000 for H1 2020 to £164,000 for H1 2021 primarily due to the reduction in fees for the Dinkie Heel Defined Benefit Pension Scheme which are being paid by the Scheme from its surplus for the time being.

Exceptional items represent expenses relating to the Millington Lord acquisition in the six months to 30 June 2021 of £46,000 and profit on disposal of subsidiaries arising in discontinued operations in H1 2020. There was a restatement of the profit on disposal of subsidiaries downwards from £2,555,000 to £825,000 which is explained in more detail in note 2 to the financial information.

Net finance costs have remained roughly the same between the two periods (H1 2021: £357,000; H1 2020: £375,000) and the corporation tax charge of £137,000 (H1 2020: £1,000) is primarily a provisional charge on the profits generated by Hickton Group.

# Chairman's Statement continued

The profit after taxation for the first six months of 2021 was £340,000 which compares to a profit of £664,000 for the same period last year, split between a loss from continuing operations of £17,000 and a profit from discontinued operations of £681,000.

Earnings per share attributable to the owners of the parent on a basic and diluted basis was 0.73p for H1 2021 and 3.63p for H1 2020, split between a loss per share of 0.38p for continuing operations and an earnings per share from discontinued operations of 4.01p.

In terms of the Consolidated Statement of Financial Position, the figures relating to the acquisition of Millington Lord are provisional at this stage and will be confirmed at the financial year end, but are not expected to differ materially.

The cash generation from operations in H1 2021 was £515,000 which compares to £696,000 for the same period last year. Net debt, excluding acquisition loan notes, increased between the periods from £5,597,000 at 30 June 2020 to £6,158,000 at 30 June 2021. The additional cash was primarily used to finance the new acquisitions and the restructuring over the year.

On 21 January 2021 I loaned the Company a further £100,000 interest free and with no fixed repayment date for general working capital for the Company during the pandemic, taking the Company's total indebtedness owed to me to £750,000. On 15 April 2021, Hickton Group Limited drew down on a four year £500,000 secured Coronavirus Business Interruption Loan with Santander UK plc available for general corporate purposes. In May 2021, the Company entered into a loan agreement with a third party for £2,000,000. The loan was used to repay an existing £2,000,000 loan from another third party which fell due for repayment on 30 June 2021. Finally, as already mentioned, in June 2021 CEPS borrowed a further £150,000 from Chelverton Asset Management Limited to enable it to make a further investment in Hickton Group, taking the total amount loaned by Chelverton Asset Management limited to £3,100,000.

## 2021 outlook

We have been encouraged by the determination of the people at the subsidiary companies to get on and ensure that their businesses continued to develop and provide product and services to their customers.

It remains very difficult to predict the outlook and the exact performance of the businesses. We recognise the possibility of further regional lockdowns in the winter season. However, another national lockdown would be disastrous. The consistent message we have given is that we do not expect normalisation of trading until perhaps 2022. After prior economic shocks, it has taken about 18 to 24 months for confidence to fully return.

The CEPS Group is now better positioned than it was three years ago, and each company has a clear strategy as to how it will grow its businesses over time. This will be by a combination of acquisition of related companies to both broaden and deepen activities with the intention of capturing a greater market share by more efficient processes and marketing. In addition, where possible and appropriate, CEPS will look to increase its shareholdings in the underlying subsidiaries.



David Horner  
Chairman  
16 September 2021

# Consolidated Statement of Comprehensive Income

		Continuing operations unaudited 6 months to 30 June 2021 £'000	Continuing operations unaudited 6 months to 30 June 2020 restated £'000	Discontinued operations unaudited 6 months to 30 June 2020 restated £'000	Unaudited 6 months to 30 June 2020 restated £'000	Audited 12 months to 31 December 2020 £'000
	Note					
Revenue	5	8,970	5,414	885	6,299	13,952
Cost of sales		(5,255)	(3,018)	(698)	(3,716)	(9,328)
Gross profit		3,715	2,396	187	2,583	4,624
Administration expenses		(3,100)	(2,486)	(447)	(2,933)	(5,473)
Other operating income		240	447	116	563	861
Operating profit/(loss)		855	357	(144)	213	12
Exceptional items		(46)	–	825	825	(191)
Impairment of intangible assets		–	–	–	–	(354)
Adjusted operating profit/(loss)		809	357	681	1,038	(533)
Analysis of adjusted operating profit/(loss)						
Trading		799	164	(260)	(96)	442
Exceptional items	4	(46)	–	825	825	(191)
Impairment of intangible assets		–	–	–	–	(354)
Other operating income		240	447	116	563	–
Group costs	5	(164)	(254)	–	(254)	(430)
		809	357	681	1,038	(533)
Profit on disposal of discontinued operations		–	–	–	–	626
Share of associate profit		25	–	–	–	–
Net finance costs	5	(357)	(375)	–	(375)	(738)
Profit/(loss) before tax		477	(18)	681	663	(645)
Taxation	5	(137)	1	–	1	(20)
Profit/(loss) for the period		340	(17)	681	664	(665)
Other comprehensive loss Items that will not be reclassified to profit or loss						
Actuarial loss on defined benefit pension plans		–	–	–	–	(13)
Other comprehensive loss for the period, net of tax		–	–	–	–	(13)
Total comprehensive income/(loss) for the period		340	(17)	681	664	(678)
Income/(loss) attributable to:						
Owners of the parent		124	(64)	681	617	(624)
Non-controlling interest		216	47	–	47	(41)
		340	(17)	681	664	(665)
Total comprehensive income/(loss) attributable to:						
Owners of the parent		124	(64)	681	617	(637)
Non-controlling interest		216	47	–	47	(41)
		340	(17)	681	664	(678)
Earnings per share attributable to owners of the parent during the period						
basic and diluted	6	0.73p	(0.38p)	4.01p	3.63p	(3.67p)

The notes on pages 9 to 14 form part of the half-yearly results.

# Consolidated Statement of Financial Position

		Unaudited as at 30 June 2021 £'000	Unaudited as at 30 June 2020 restated £'000	Audited as at 31 December 2020 £'000
	Note			
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		651	860	633
Right-of-use assets		948	1,150	976
Intangible assets		10,364	10,033	9,208
Investment in associate		25	–	–
		<u>11,988</u>	<u>12,043</u>	<u>10,817</u>
<b>Current assets</b>				
Inventories		1,284	2,386	1,441
Trade and other receivables		3,150	2,423	1,883
Cash and cash equivalents (excluding bank overdrafts)		2,114	2,048	2,332
		<u>6,548</u>	<u>6,857</u>	<u>5,656</u>
<b>Total assets</b>	5	<u>18,536</u>	<u>18,900</u>	<u>16,473</u>
<b>Equity</b>				
<b>Capital and reserves attributable to owners of the parent</b>				
Called up share capital	8	1,700	1,700	1,700
Share premium		5,841	5,841	5,841
Retained earnings		(8,299)	(6,548)	(8,402)
		<u>(758)</u>	<u>993</u>	<u>(861)</u>
Non-controlling interest in equity		2,199	2,209	1,954
<b>Total equity</b>		<u>1,441</u>	<u>3,202</u>	<u>1,093</u>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Borrowings		6,948	8,827	6,415
IFRS lease liability		882	1,040	887
Deferred tax liability		150	216	51
		<u>7,980</u>	<u>10,083</u>	<u>7,353</u>
<b>Current liabilities</b>				
Borrowings		4,119	1,260	3,861
IFRS lease liability		191	235	248
Trade and other payables		3,357	3,142	2,909
Current tax liabilities		1,448	978	1,009
		<u>9,115</u>	<u>5,615</u>	<u>8,027</u>
<b>Total liabilities</b>	5	<u>17,095</u>	<u>15,698</u>	<u>15,380</u>
<b>Total equity and liabilities</b>		<u>18,536</u>	<u>18,900</u>	<u>16,473</u>

The notes on pages 9 to 14 form part of the half-yearly results.

# Consolidated Statement of Cash Flows

	Unaudited 6 months to 30 June 2021 £'000	Unaudited 6 months to 30 June 2020 restated £'000	Audited 12 months to 31 December 2020 £'000
<b>Cash flows from operating activities</b>			
Profit/(loss) for the financial year	340	664	(665)
Adjustments for:			
Depreciation and amortisation	253	312	601
Loss on disposal of fixed assets	1	–	–
Profit on disposal of subsidiaries	–	(825)	(626)
Share of associate profit	(25)	–	–
Impairment of intangible assets	–	–	354
Pension contributions less than administrative charge	–	–	9
Net finance costs	357	375	738
Taxation charge	137	(1)	20
Changes in working capital			
Movement in inventories	157	(142)	375
Movement in trade and other receivables	(341)	(190)	325
Movement in trade and other payables	(305)	476	377
<b>Cash generated from operations</b>	<b>574</b>	<b>669</b>	<b>1,508</b>
Corporation tax (paid)/received	(59)	27	(241)
<b>Net cash generated from operating activities</b>	<b>515</b>	<b>696</b>	<b>1,267</b>
<b>Cash flows from investing activities</b>			
Interest received	6	–	2
Acquisition of subsidiaries, net of cash acquired	(740)	(1,870)	(866)
Acquisition of minority shareholdings in subsidiaries	–	(1,313)	(1,366)
Disposal of subsidiaries, net of cash	–	(4)	(4)
Purchase of property, plant and equipment	(41)	(142)	(95)
Proceeds from sale of assets	35	–	1
Purchase of intangible fixed assets	(3)	(229)	(24)
<b>Net cash from investing activities</b>	<b>(743)</b>	<b>(3,558)</b>	<b>(2,352)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	2,978	3,485	3,174
Repayment of borrowings	(2,485)	–	(904)
Loan issue costs paid	–	–	(86)
Proceeds from subsidiary share issue	5	–	26
Interest paid	(315)	(319)	(432)
Lease liability payments	(173)	(277)	(319)
<b>Net cash flow generated from financing activities</b>	<b>10</b>	<b>2,889</b>	<b>1,459</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(218)</b>	<b>27</b>	<b>374</b>
Cash and cash equivalents at the beginning of the period	2,332	1,958	1,958
<b>Cash and cash equivalents at the end of the period</b>	<b>2,114</b>	<b>1,985</b>	<b>2,332</b>
<b>Cash and cash equivalents</b>			
Cash at bank and in hand	2,114	2,048	2,332
Bank overdrafts repayable on demand	–	(63)	–
	<b>2,114</b>	<b>1,985</b>	<b>2,332</b>

The notes on pages 9 to 14 form part of the half-yearly results.



# Consolidated Statement of Changes in Equity

	Share capital £'000	Share premium £'000	Retained earnings £'000	Attributable to owners of the parent £'000	Non- controlling interest £'000	Total equity £'000
At 1 January 2020 (audited)	1,700	5,841	(6,808)	733	2,018	2,751
Profit and total comprehensive income for the period (restated)	–	–	617	617	47	664
Changes in ownership interest in a subsidiary (restated)	–	–	(357)	(357)	(882)	(1,239)
Disposal of subsidiaries	–	–	–	–	1,026	1,026
At 30 June 2020 (unaudited)	1,700	5,841	(6,548)	993	2,209	3,202
Actuarial loss	–	–	(13)	(13)	–	(13)
Loss for the period	–	–	(1,241)	(1,241)	(88)	(1,329)
Total comprehensive loss for the financial period	–	–	(1,254)	(1,254)	–	(1,342)
Changes in ownership interest in subsidiaries	–	–	(600)	(600)	(167)	(767)
At 31 December 2020 (audited)	1,700	5,841	(8,402)	(861)	1,954	1,093
Profit and total comprehensive income for the financial period	–	–	124	124	216	340
Changes in ownership interest in a subsidiary	–	–	(21)	(21)	29	8
At 30 June 2021 (unaudited)	1,700	5,841	(8,299)	(758)	2,199	1,441

The notes on pages 9 to 14 form part of the half-yearly results.

# Notes to the Financial Information

## 1. General information

The Company is a limited liability company incorporated and domiciled in the UK. The address of its registered office is 11 Laura Place, Bath BA2 4BL and the registered number of the company is 00507461.

The Company is quoted on AIM.

This condensed consolidated half-yearly financial information was approved by the directors for issue on 16 September 2021.

This condensed consolidated half-yearly financial information does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2020 were approved by the Board of directors on 24 May 2021 and delivered to the Registrar of Companies. The report of the auditor on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006.

This condensed consolidated half-yearly financial information has not been reviewed or audited.

There is no specific seasonality in relation to the condensed consolidated half-yearly financial information, although the impact of COVID-19 has had a profound effect on the subsidiaries and their performance in H1 2020 and to a lesser overall degree in H2 2020 and into 2021.

### Basis of preparation

This condensed consolidated half-yearly financial information for the six months ended 30 June 2021 has been prepared in accordance with IAS 34, *Interim Financial Reporting* as adopted by the European Union. The condensed consolidated half-yearly financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2020, which have been prepared in accordance with IFRSs as adopted by the United Kingdom.

### Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2020, as described in those annual financial statements.

## 2. Restatement

The Consolidated Statement of Comprehensive Income for the period ended 30 June 2020 and the Consolidated Statement of Financial Position as at that date together with the related segmental notes have been restated for the error identified in the preparation of the full year 2020 financial statements and to reclassify the results of Davies Odell Limited, disposed of in December 2020, from continuing to discontinued operations. The profit on disposal of subsidiaries, shown as £2,555,000 in the 2020 Half-Yearly Report to Shareholders, is now shown as £825,000 with the debit to equity on change of ownership interest and movements in non-controlling interest adjusted by corresponding amounts. This did not impact cash flows with the cash flow statement restated only to show the lower profit for the period and adjustment to this for the reduced profit on disposal.

# Notes to the Financial Information

## 3. Acquisitions in the current period

Hickton Group Limited, the Company's subsidiary, acquired the entire issued share capital of Millington Lord Limited ('MLL') on 15 March 2021 from GT Realisations Limited (formerly Gas Tag Limited). MLL is a holding company with two wholly owned trading subsidiaries; Morgan Lambert Limited ('ML') and Qualitas Compliance Limited ('QC'). The MLL group, which is based out of Selby, North Yorkshire, is a gas and electrical safety consultancy, providing auditing, consulting and training services.

The acquisition had the following provisional effect on the Group's assets and liabilities.

	£'000
Customer relationship assets	350
Property, plant and equipment	12
Trade and other receivables	926
Cash and cash equivalents	110
Trade and other payables	(798)
Borrowings	(198)
Taxation balances	(135)
	<hr/>
Fair value of net identifiable assets and liabilities acquired	267
Goodwill	833
	<hr/>
	1,100
	<hr/>
Cash consideration transferred	700
Deferred consideration	300
Contingent consideration	100
	<hr/>
	1,100
	<hr/>

The cash outflow, net of cash acquired, at the date of acquisition was £590,000 with £150,000 of deferred consideration paid in June 2021, a further £150,000 of deferred consideration paid in August 2021 and £100,000 of contingent consideration confirmed and being paid post period end.

## 4. Exceptional items

Non-recurring items disclosed as exceptional in the results are as follows:

	Unaudited 6 months to 30 June 2021 £'000	Unaudited 6 months to 30 June 2020 restated £'000	Audited 12 months to December 2020 £'000
Profit on disposal of subsidiaries	–	825	825
Acquisition expenses	46	–	101
Other restructuring costs	–	–	90
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# Notes to the Financial Information continued

## 5. Segmental analysis

All activities, apart from those relating to CEM Press and Davies Odell disposed of in 2020, are classed as continuing.

The chief operating decision maker of the Group is its Board. Each operating segment regularly reports its performance to the Board which, based on those reports, allocates resources to and assesses the performance of those operating segments.

Operating segments and their principal activities are as follows:

- Aford Awards, a sports trophy and engraving company.
- Friedman's, a convertor and distributor of specialist lycra, including Milano International (trading as Milano Pro-Sport), a designer and manufacturer of leotards.
- Hickton Group, comprising Hickton Consultants, BRCS, Cook Brown Building Control, Cook Brown Energy, Morgan Lambert and Qualitas Compliance, providers of services in the construction industry.
- Discontinued operations represent the activities of Davies Odell, a manufacturer and distributor of protection equipment, matting and footwear components, until disposal in December 2020 and of the CEM Press companies including Travelfast (trading as Sampling International), a manufacturer of fabric, carpet and wallpaper pattern books, swatches and shade cards, until these went into administration in January 2020.

The United Kingdom is the main country of operation from which the Group derives its revenue and operating profit and is the principal location of the assets of the Group. The Group information provided below, therefore, also represents the geographical segmental analysis. Of the £8,970,000 (2020: £6,299,000) of revenue, £8,463,000 (2020: £5,189,000) is derived from UK customers.

The Board assesses the performance of each operating segment by a measure of adjusted earnings before interest, tax, depreciation and amortisation and Group costs. Other information provided to the Board is measured in a manner consistent with that in the financial statements.

### i) Results by segment

Unaudited 6 months to 30 June 2021

	Aford Awards £'000	Fried- man's £'000	Hickton Group £'000	Total Group £'000
Revenue	515	1,857	6,598	8,970
Segmental result (EBITDA) before exceptional items	164	82	1,026	1,272
Exceptional item	–	–	(46)	(46)
Segmental result (EBITDA) after exceptional items	164	82	980	1,226
Right-of-use depreciation charge	(22)	(70)	(40)	(132)
Depreciation and amortisation charge	(3)	(82)	(36)	(121)
Group costs				(164)
Share of associate profit				25
Net finance costs				(357)
Profit before taxation				477
Taxation				(137)
Profit for the period				340

# Notes to the Financial Information continued

## 5. Segmental analysis continued

### Results by segment continued

Unaudited 6 months to 30 June 2020 (restated)

	Aford Awards £'000	Fried- man's £'000	Hickton Group £'000	Continuing operations £'000	Discon- tinued operations £'000	Total Group £'000
Revenue	390	2,149	2,875	5,414	885	6,299
Segmental result (EBITDA) before exceptional items	57	304	515	876	(97)	779
Exceptional item	–	–	–	–	825	825
Segmental result (EBITDA) after exceptional items	57	304	515	876	728	1,604
Right-of-use depreciation charge	(23)	(70)	(34)	(127)	(17)	(144)
Depreciation and amortisation charge	(4)	(102)	(32)	(138)	(30)	(168)
Group costs				(254)	–	(254)
Net finance costs				(375)	–	(375)
(Loss)/profit before taxation				(18)	681	663
Taxation				1	–	1
(Loss)/profit for the period				(17)	681	664

Audited 12 months to 31 December 2020

	Aford Awards £'000	Fried- man's £'000	Hickton Group £'000	Continuing operations £'000	Discon- tinued operations £'000	Total Group £'000
Revenue	844	3,878	7,139	11,861	2,091	13,952
Segmental result (EBITDA) before exceptional items	111	124	929	1,164	(120)	1,044
Exceptional items	–	–	(481)	(481)	562	81
Segmental result (EBITDA) after exceptional items	111	124	448	683	442	1,125
Right-of use depreciation charge	(47)	(139)	(63)	(249)	(34)	(283)
Depreciation and amortisation charge	(7)	(209)	(40)	(256)	(63)	(319)
Group costs				(430)	–	(430)
Net finance costs				(708)	(30)	(738)
(Loss)/profit before taxation				(960)	315	(645)
Taxation				(20)	–	(20)
(Loss)/profit for the year				(980)	315	(665)

# Notes to the Financial Information continued

## 5. Segmental analysis continued

### ii) Assets and liabilities by segment

Unaudited as at 30 June

	Segment assets		Segment liabilities		Segment net assets/(liabilities)	
	2021	2020	2021	2020	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Continuing operations:</b>						
CEPS Group	119	141	(6,246)	(5,370)	(6,127)	(5,229)
Aford Awards	1,599	1,717	(511)	(524)	1,088	1,193
Friedman's	7,141	7,822	(2,114)	(2,414)	5,027	5,408
Hickton Group	9,677	7,960	(8,224)	(6,517)	1,453	1,443
<b>Discontinued:</b>						
Davies Odell	–	1,260	–	(873)	–	387
<b>Total – Group</b>	<b>18,536</b>	<b>18,900</b>	<b>(17,095)</b>	<b>(15,698)</b>	<b>1,441</b>	<b>3,202</b>

Audited as at 31 December 2020

	Segment assets		Segment liabilities		Segment net assets/(liabilities)	
	£'000		£'000		£'000	
<b>Continuing operations:</b>						
CEPS Group	57		(5,995)		(5,938)	
Aford Awards	1,661		(601)		1,060	
Friedman's	7,363		(2,227)		5,136	
Hickton Group	7,393		(6,558)		835	
<b>Total – Group</b>	<b>16,474</b>		<b>(15,381)</b>		<b>1,093</b>	

## 6. Earnings per share

Basic earnings per share is calculated on the profit after taxation for the period attributable to owners of the Company of £124,000 (2020: profit of £617,000) and on 17,000,000 (2020: 17,000,000) ordinary shares, being the weighted number in issue during the period.

Basic earnings per share for continuing operations is calculated on the profit for the year after taxation attributable to owners of the Company of £124,000 (2020: loss of £64,000) and on 17,000,000 ordinary shares, being the weighted number in issue during the year. Basic earnings per share for discontinued operations is calculated on the profit for the year after taxation attributable to owners of the Company of £nil (2020: profit of £681,000) and on 17,000,000 (2020: 17,000,000) ordinary shares, being the weighted number in issue during the period.

## 7. Net debt and gearing

Gearing ratios at 30 June 2021, 30 June 2020 and 31 December 2020 are as follows:

	Group unaudited 30 June 2021 £'000	Group unaudited 30 June 2020 £'000	Group audited 31 December 2020 £'000
Total borrowings	8,272	7,645	7,552
Less: cash and cash equivalents	(2,114)	(2,048)	(2,332)
<b>Net debt</b>	<b>6,158</b>	<b>5,597</b>	<b>5,220</b>
<b>Total equity</b>	<b>1,441</b>	<b>3,202</b>	<b>1,093</b>
<b>Gearing ratio</b>	<b>427%</b>	<b>175%</b>	<b>478%</b>

In order to provide a more meaningful gearing ratio, total borrowings are the sum of bank borrowings and third-party debt, excluding loan notes used to finance the Group's acquisitions.

# Notes to the Financial Information continued

## 8. Share capital and premium

	Number of shares	Share capital £'000	Share premium £'000	Total £'000
<b>At 1 January 2021 and 30 June 2021</b>	<b>17,000,000</b>	<b>1,700</b>	<b>5,841</b>	<b>7,541</b>

## 9. Related-party transactions

During the period the Company entered into the following transactions with its subsidiaries:

	Aford Awards Group Holdings Limited £'000	Davies Odell Limited £'000	Signature Fabrics Limited £'000	Hickton Group Limited £'000
Loan note interest receivable				
<b>6 months to 30 June 2021</b>	<b>24</b>	<b>–</b>	<b>30</b>	<b>89</b>
6 months to 30 June 2020	8	19	30	64
For the year to 31 December 2020 (audited)	26	35	60	154
Management charge income receivable				
<b>6 months to 30 June 2021</b>	<b>10</b>	<b>–</b>	<b>18</b>	<b>6</b>
6 months to 30 June 2020	10	8	18	6
For the year to 31 December 2020 (audited)	20	11	35	13
Amount owed to the Company				
<b>30 June 2021</b>	<b>685</b>	<b>–</b>	<b>1,105</b>	<b>2,416</b>
30 June 2020	210	886	1,044	2,297
For the year to 31 December 2020 (audited)	735	–	1,075	2,342
Loans and investments written-off or impaired				
<b>30 June 2021</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
30 June 2020	–	73	–	–
For the year to 31 December 2020 (audited)	–	19	–	–

The Company is under the control of its shareholders and not any one individual party.

## Statement of Directors' Responsibility

The directors confirm that, to the best of their knowledge, these condensed consolidated half-yearly financial statements have been prepared in accordance with IAS 34 as adopted by the United Kingdom. The interim management report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R, namely:

- an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and
- material related-party transactions in the first six months of the financial year and any material changes in the related-party transactions described in the last Annual Report.

A list of current directors is maintained on the CEPS PLC website: [www.cepsplc.com](http://www.cepsplc.com).

By order of the Board



David Horner  
*Chairman*  
16 September 2021