16 September 2019
For Release

BE HEARD GROUP PLC

Unaudited Interim Report For The Six Months Ended 30 June 2019

Be Heard Group plc (''Be Heard'') the marketing services group is pleased to report good progress with improved margins and operational efficiencies

Operational Highlights

- Continued organic growth with improved operating margins.
- Strategic investment in digital transformation business.
- Repositioning of the creative and influencer businesses.

Financial Highlights

- Group revenue increased by 4.6% to £14.8m (2018: £14.2m)
- Adjusted EBITDA (1) increased to £1.6m (2018: £0.7m)
- Operating Margin (2) increased by 6.2 percentage points to 10.8% (2018: 4.6%)
- Loss from operations narrowed to £(1.2)m (2018: £(3.5)m)
- Net cash of £0.2m (3) (December 2018: net debt £0.8m)
- Earnout liability (5th July 2019) reduced by £5.6m to £9.4m.
- Earnout (cash) balance of £9.4m (December 2018: £9.9m)

David Morrison Non-Executive Chairman of Be Heard Plc, commented:

"The Group's first half results are satisfactory particularly given the prospects for the business twelve months ago. The new management team led by Simon Pyper (CEO) and Ben Rudman (COO), has focused on operational effectiveness and margin improvement, and this emphasis has helped to deliver both improved operating margins and profitability. Additionally, the business has over the past few months sought to address a number of structural issues such as reducing the liability under the Group's various earnout obligations, improving the Group's new business pipeline and the repositioning of its creative and influencer businesses. We have been busy and have achieved a great deal, but there is, as ever, still much to do.

Our first half results are satisfactory, and the Board remains confident that the full year results will be in line with expectations."

Note 1
We define Adjusted EBITDA as EBITDA adjusted for costs associated with acquisitions, restructuring of the Group, share based payments, impairments and the impact of IFRS 16 (accounting for leases).

Note 2
Operating Margins are Adjusted EBITDA divided by revenue.

Note 3
Net cash (debt) excludes £3,604k of convertible loan notes issued on 28 November 2017. The notes are convertible by the holder into ordinary shares of the Company at any time between the date of issue of the notes and their redemption date. The notes are convertible at 3.5 pence per share.

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Non-Executive Chairman's Statement

The Group's first half results are satisfactory particularly given the prospects for the business twelve months ago. The new management team led by Simon Pyper and Ben Rudman, has focused on operational effectiveness and margin improvement, and this emphasis has helped to deliver both improved operating margins and profitability. Additionally, the business has over the past few months sought to address a number of structural issues such as reducing the liability under the Group's various earnout obligations, improving the Group's new business pipeline which included a strategic investment in a digital transformation business and the repositioning and integrating of its creative and influencer businesses.

The management team has started to address a number of structural issues facing the Group, the highlights of which are below:

Reducing the Group's Earnout Liability

The Group's earnout liability at December 2018 was £15.1 million, consisting of £9.9 million in cash and £5.2 million (book value) for consideration shares. The consideration shares, which were subject to collar and cap arrangements (with an average price of 2.52 pence per share), were due to be issued in tranches over the next 24 to 36 months. However, as earnout payments (either in cash or shares) were no longer contingent-based the Group decided to satisfy the share payments ahead of schedule (5th July 2019) and in doing so remove the uncertainty around both the timing and quantum of shares to be issued.

Additionally, the remaining cash earnouts of £9.4 million (June 2019) have now been formally subordinated to the Group's banking facilities. By entering into the subordination arrangements, the earnout holders can only receive payments if the Group satisfies its banking covenants and has prior Bank approval.

New Business Pipeline

In June the Group announced that it had made a strategic investment in a digital transformation consultancy (trading as 3pointsDigital "3PD") which supports C-Suite executives in framing their approach on how best to benefit from the digital revolution. For Be Heard, the investment in 3PD should prove to be a valuable source of new business engagements and further expand the range of services the Group can offer to clients.

Repositioning and Integration of Creative and Influencer Businesses

The Group made the decision at the start of the financial year to reposition and integrate its creative (The Corner) and influencer (Kameleon) offering into a single business, which is reducing duplication of services and is facilitating the delivery of creative solutions across both digital and traditional platforms. The integration is largely complete with both clients and staff being supportive of the change.

We have been busy and have achieved a great deal, but there is still much to do. The financial constraints of the Group require us to work harder and think smarter, and we continue to believe that organic growth can be driven by capitalising on the range of skills that are to be found across the Group.

Our Employees

Be Heard is totally dependent on its people and our improved performance and prospects would not have been possible without their hard work, dedication and commitment. I would particularly like to thank the employees of the Group in all the partner companies for their efforts, as well as both my executive and non-executive colleagues on the Board.

Long Term Incentive Plan

We are a small business and one which is totally dependent upon attracting and retaining talented and committed people. To allow us to remain competitive the Group in May 2019 introduced a Long-Term Incentive Plan ("LTIP") which offers options to around 50 staff. The options granted equate to circa 10% of the current shares in issues and vest once the following conditions have been met:

	Adjusted EBITDA targets 60%	Share Price Targets 40%	Weighting
Target 1	£4.0 million	2.00 p	20%
Target 2	£5.0 million	3.00 p	40%
Target 3	£6.0 million	4.00 p	40%

All options are exercisable at a price of nil pence, and vest at multiple points dependent upon profit and share price targets.

Current Trading and Outlook

We have started to address the structural issues of the Group and have delivered an improved set of results for the first half of the year. That said, challenges still remain, some of which are structural, and some of which relate to the increased turbulence brought about by the uncertainty surrounding Brexit. Whilst the medium-term economic impact of the current political storm remains difficult to predict, we are seeing some evidence of client spending decisions being either extended or delayed. The Board remains confident that the full year results for 2019 will be in line with market expectations, but there is inevitably constrained visibility when looking into 2020.

David Morrison
Non-Executive Chairman
16 September 2019

Chief Executive's Statement

Given the prevailing economic headwinds and the somewhat subdued market for creative services such as those provided by The Corner, our first half results should be considered more than satisfactory. During the first half, the Group recorded a number of new client wins including Carlsberg, delivered good revenue growth and increased operating margins, with the latter continuing to benefit from the restructure implemented in the second half of last year. So, in summary, a good first half performance.

Be Heard, like many companies in our sector is seeing a bias in favour of digital solutions and data led insights, and this has to some degree benefited both MMT and Freemavens. Against this, and as I mentioned earlier, the more traditional creative businesses are finding the current climate more than a little testing and Be Heard is not alone in seeing the adverse consequences of this. To address this, the team at The Corner and Kameleon came together to form one integrated business and are currently working on a more compelling proposition, one which includes insights, social influencers and creative talent.

Group Performance to 30 June 2019

Freemavens:

Revenues	£2.0 million,	82% ahead of last year
Contribution	£0.9 million,	2018 £0.3 million

Analytics and insight business which makes use of customer, audience and market data to provide critical insights to blue chip clients. Freemavens is our only partner company which regularly engages with client-side "C-Suite" executives. Growth has come from both increased engagements from its top clients and some new notable business wins.

MMT:

Revenues	£7.8 million,	16% ahead of last year
Contribution	£1.4 million,	2018 £1.5 million

A user experience and design business which creates digital solutions that transform business performance. Revenue growth reflects MMT's focus on delivering quality solutions for clients to timetable and to budget. Growth has come from both existing clients and a number of client referrals. Contribution is broadly unchanged due to higher than expected contractor mix and moreover, investment in headcount to support growth into the second half of this year and into 2020.

agenda21:

Revenues	£2.0 million,	(19%) below last year
Contribution	£0.1 million,	2018 £(0.1) million

agenda21 is a media planning and buying business which optimises media and content across connected devices. Performance against prior year primarily reflects the loss of its largest client in 2018. The new management team has stabilised the business, returned it to profitability (albeit rather modest) and has been successful in winning a number of new client engagements.

The Corner (including Kameleon)

Revenues	£2.9 million,	(23%) below last year
Contribution	£Nil,	2018 £0.3 million

With the integration of Kameleon the business now has a more credible brand and a broader creative and influencer proposition, one which aims through new thinking and new ideas to help clients become more relevant to both their traditional and ever more digital-savvy audience. Much of the revenue and contribution decline can be ascribed to market uncertainty, but some if not a significant part can also be ascribed to client led changes to the revenue model which has moved, in a relatively short period of time from "retainer" to "project" led engagements.

Overheads

Overheads	£0.8 million,	2018 £1.3 million

The reduction in overheads is a result of the changes implemented in the second half of last year. The first half central overhead percentage to revenue is 5.4% compared to 8.8% for the same period last year.

Note: Partner contribution is equal to Group adjusted EBITDA before central overheads.

New Clients

Notable client wins included: Carlsberg, Onitsuka Tiger, Barclays and Levi Strauss.

Earnout Liability

Subsequent to the share issue in July of this year, the remaining earnout liability has reduced to £9.4 million from £9.9m as at December 2018. The remaining earnout liability which is due to be paid in cash has now been subordinated to bank debt. Consequently, earnout payments can only be made with Bank approval.

Impairment of Goodwill

The Group has taken a non-cash impairment charge to goodwill of £1.1 million. The whole of the impairment relates to The Corner which has now been integrated with Kameleon into one business.

Cash Generation

Cash generation improved, with cash generated from operations increasing by £1.9m to £2.4m (2018: £0.5m).

Net Cash - Debt

Net cash which excludes earnout liabilities and the £3.6m convertible loan note, increased to £0.2m as at June 2019 (December 2018: Net Debt of £0.8m).

Chief Executive Statement

Strategic Priorities

The challenge ahead, given the financial constraints of the Group and the somewhat inconsistent performance of the partner companies, is how best to deliver profitable growth over the medium to long term. If we are to achieve growth without recourse to additional capital then the most appropriate approach is to more fully leverage our proposition, to further improve our operational effectiveness and where appropriate to enter into capital light joint ventures with businesses operating within or adjacent to our competitive footprint.

Leveraging our Proposition

We are on many levels a successful business, winning a number of new client engagements and achieving revenue growth from several clients. Despite some notable successes we, like many of our competitors, have seen a general reduction in the volume and value of new business which, in part, reflects the impact on marketing budgets brought about by the continued economic and political uncertainty in the United Kingdom. Aligned with this softening of new business, we have also found that the pitch process has become more competitive, with prolonged client decision timeframes and furthermore, with procurement requirements playing an ever-greater part in the client's decision-making mix.

Moreover, in response to demand side structural changes many marketing services firms are re-engineering their business model. We have seen a number of our competitors moving to a "single provider model", whereby individual brands are no longer as relevant as the competencies and services being offered. Whilst other companies have invested further in the "holding company" model, where the individual agencies with minimal support from the parent deliver client solutions. We at Be Heard believe that a more flexible approach is needed, one which recognises that "one size" does not fit all and that the key to success is in providing clients with creative solutions to real commercial challenges. Our business model allows us to present ourselves as single provider with deep expertise in a number of areas, or to act as an individual agency, or to provide multiple service combinations from two or more partner companies.

Leveraging Operational Effectiveness

Be Heard is a collection of four different partner companies which have historically run independently with separate operations and discreet processes. Ben Rudman, Group Chief Operating Officer, has made good progress on several fronts, which include, but are not limited to:

- Reducing office locations from 4 to 3;
- Implementing common processes particularly around resource planning;
- Standardising reporting processes and output; and
- Implementing cost reduction initiatives

Whilst we continue to make good progress there remains much to do.

Joint Ventures

The capital constraints within which the Group operates means that we have to take a more creative yet pragmatic approach towards growth. The Group recently completed an investment in a successful but sub-scale business ("3PD") which operates in our competitive footprint. The investment in 3PD was "capital light" with Be Heard offering access to infrastructure, business processes and client fulfilment capabilities in exchange for new routes to market and a broadening of our prospective client base and offerings.

The Market

There is little doubt that the market in which we operate is changing and moving at pace to one which is provider agnostic, project or programmed based with a bias towards digital solutions and data-led actionable insights. We have benefited from this change as evidenced by the growth in both MMT and Freemavens, but we have also and in "real time" experienced the adverse consequences of this move. I believe that creative led businesses such as The Corner still have an important role to play in supporting clients, one which is moving to a post-hoc model, whereby creative services come into the service delivery mix after the provision of data led insights.

Be Heard and its clients do not operate within a vacuum and the continued political and economic uncertainty caused by the United Kingdom's decision to leave the European Union and the unforssen consequences of doing so continue to impact upon the volume, value and timing of client spend decisions. To mitigate this, we at Be Heard have to ensure that we remain focused on helping our clients make better informed, creatively led decisions around how they execute their digital transformation and moreover, how they communicate and engage with their audience.

Priorities

Our immediate priorities remain unchanged: to focus on better leveraging our proposition and operational effectiveness and moreover, to build a business which delivers sustainable long-term profitable growth.

Simon Pyper
Chief Executive Officer
16 September 2019

INTERIM CONSOLIDATED INCOME STATEMENT
for the six months ended 30 June 2019

	Unaudited Six months to 30 June 19 £'000	Unaudited Six months to 30 June 18 £'000	Audited 12 months to 31 December 18 £'000
Billings	27,881	27,152	49,720
Cost of sales	(13,084)	(13,001)	(20,261)
Net Revenue	14,797	14,151	29,459
Administrative expenses	(16,044)	(17,638)	(39,156)
Operating loss	(1,244)	(3,487)	(9,697)
Operating profit before non-recurring and non-cash items (adjusted EBITDA)	1,601	651	3,041
Adjustment for change in accounting policy[1]	557	-	-
Amortisation of intangibles	(946)	(1,599)	(2,977)
Depreciation[2]	(600)	(96)	(183)
Impairment of intangibles	(81)	(717)	(1,158)
Impairment of goodwill	(1,089)	(982)	(7,222)
Adjustment to deferred and contingent consideration	-	200	(104)
Revaluation of loan note	-	-	662
Acquisition costs	(31)	-	(50)
Share based payments	(36)	(8)	(11)
Termination payments	(398)	(595)	(1,398)
Restructuring costs	(146)	(151)	(297)
Holiday pay accrual	(75)	(190)	-
Loss from operations	(1,244)	(3,487)	(9,697)
Finance costs	(493)	(285)	(602)
Loss before taxation	(1,737)	(3,772)	(10,299)
Tax credit	579	645	884
Loss after tax	(1,158)	(3,127)	(9,415)
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD	(1,158)	(3,127)	(9,415)
Loss and Total Comprehensive Expense for the Period attributable to:			
Non-Controlling Interest	253	162	413
Equity holders of the parent	(1,411)	(3,289)	(9,828)
	(1,158)	(3,127)	(9,415)
Loss per share (see below)			
Basic	£(0.00)	£(0.00)	£(0.01)
Diluted	£(0.00)	£(0.00)	£(0.01)

[1]Adjusted EBITDA excludes the impact of adopting IFRS 16 Accounting for Leases to allow for comparison with prior periods by adding back the lease charge on right of use assets
[2]The depreciation charge includes £500k relating to depreciation of right of use assets under IFRS 16

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2019

	Unaudited as at 30 June 19 £'000	Audited as at 31 December 18 £'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	394	391
Investments in associates	320	-
Intangible assets	31,762	33,876
Right of use assets	4,880	-
TOTAL NON-CURRENT ASSETS	37,356	34,267
CURRENT ASSETS		
Trade and other receivables	11,771	12,116
Corporation tax	873	424
Cash and cash equivalents	3,064	2,167
TOTAL CURRENT ASSETS	15,708	14,707
TOTAL ASSETS	53,064	48,974
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	(24,010)	(19,071)
Lease liability	(921)	-
Bank and other loans	(2,828)	(3,000)
TOTAL CURRENT LIABILITIES	(27,759)	(22,071)
NON-CURRENT LIABILITIES		
Trade and other payables	(2,160)	(3,150)
Lease liability	(3,809)	-
Bank and other loans	(3,605)	(3,520)
Deferred tax	(395)	(395)
Provision for liabilities	-	(3,220)
TOTAL NON-CURRENT LIABILITIES	(9,969)	(10,285)
TOTAL LIABILITIES	(37,728)	(32,356)
TOTAL NET ASSETS	15,336	16,618
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		
Share capital	10,407	10,407
Share premium reserve	13,208	13,208
Merger relief reserve	8,038	8,038
Retained earnings	(16,725)	(15,350)
Equity attributable to owners of parent company	14,928	16,303
Non-controlling interests	408	315
TOTAL EQUITY	15,336	16,618

CONSOLIDATED CASH FLOW STATEMENT
for the six months ended 30 June 2019

	Unaudited Six months to 30 June 19 £'000	Audited Period to 31 December 18 £'000
OPERATING ACTIVITIES		
Net loss from ordinary activities before taxation	(1,737)	(10,299)
Adjustments for:		
Depreciation	600	182
Amortisation	946	2,976
Other intangible impairment	81	1,159
Impairment of goodwill	1,089	7,221
Loan note revaluation	-	(662)
Adjustments to contingent and deferred consideration	-	104
Share based payment expense	36	11
Finance costs	493	602
Operating profit before changes in working capital and provisions	1,508	1,295
Decrease/(increase) in trade and other receivables	1,666	(1,835)
Decrease in trade and other payables	(790)	997
Cash generated by operations	2,384	457
Income taxes (paid)/ recovered	(68)	296
Cash flows from operating activities	2,316	753
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(103)	(253)
Consideration paid on acquisition of associate	(320)	-
Deferred consideration paid	(442)	(3,063)
Cash consumed by investing activities	(865)	(3,316)
FINANCING ACTIVITIES		
Share issue expenses	-	(16)
Bank loan	(172)	2,000
Dividends paid	(160)	-
Finance costs	(222)	(361)
Cash (consumed)/generated by financing activities	(554)	1,623
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	897	(940)
Cash and cash equivalents brought forward	2,167	3,107
CASH AND CASH EQUIVALENTS CARRIED FORWARD	3,064	2,167
Represented by:		
Cash at bank and in hand	3,064	2,167
	3,064	2,167

CONSOLIDATED CASH FLOW STATEMENT
for the six months ended 30 June 2019

Reconciliation of net cashflow to movement in net debt:

Net increase/(decrease) in cash and cash equivalents	897	(940)
Term loan drawn	-	(2,000)
Term loan repaid	172	-
Interest accrued on convertible loan notes	(245)	(488)
Interest paid on convertible loan notes	160	320
Revaluation of share option component of convertible loan notes	-	662
Movement in net debt in the year	984	(2,446)
Net debt as at beginning of period	(4,353)	(1,907)
Net debt at end of period	(3,369)	(4,353)

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the six months ended 30 June 2019

	Share capital	Share premium reserve	Merger Relief Reserve	Retained earnings	Equity Attributable to Owners of Parent Company	Non-controlling Interests	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 July 2017	8,131	13,043	3,956	(5,892)	19,237	54	19,291
Total comprehensive expense for the period	-	-	-	336	336	(152)	184
Issue of new shares	1,689	359	2,733	-	4,781	-	4,781
Issue costs deducted from equity	-	(178)	-	-	(178)	-	(178)
Share based payment expense	-	-	-	23	23	-	23
Balance at 31 December 2017	9,819	13,224	6,689	(5,533)	24,199	(98)	24,101
Total comprehensive expense for the period	-	-	-	(3,289)	(3,289)	162	(3,127)
Issue of new shares	588	-	1,349	-	1,937	-	1,937
Issue costs deducted from equity	-	(16)	-	-	(16)	-	(16)
Share based payment expense	-	-	-	8	8	-	8
Balance at 30 June 2018	10,407	13,208	8,038	(8,814)	22,839	64	22,903
Total comprehensive expense for the period	-	-	-	(6,539)	(6,539)	251	(6,288)
Share based payment expense	-	-	-	3	3	-	3
Balance at 31 December 2018	10,407	13,208	8,038	(15,350)	16,303	315	16,618
Total comprehensive expense for the period	-	-	-	(1,411)	(1,411)	253	(1,158)
Share based payment expense	-	-	-	36	36	-	36
Dividends paid to non-controlling interest	-	-	-	-	-	(160)	(160)
Balance at 30 June 2019	10,407	13,208	8,038	(16,725)	14,928	408	15,336

1. Corporate information

The interim consolidated financial statements of the group for the period ended 30 June 2019 were authorised for issue in accordance with a resolution of the directors on 16 September 2019. Be Heard Group plc is a Public Limited Company listed on AIM, registered in England and Wales and domiciled in the UK.

The interim consolidated financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006, and should be read in conjunction with the 2018 annual financial statements. The statutory audited accounts for the year ended 31 December 2018 have been delivered to the Registrar of Companies in England and Wales. The auditors' report on these accounts was unqualified and did not contain statements under section 498 of the Companies Act 2006.

2. Statement of Accounting policies

2.1 Basis of Preparation

The interim consolidated financial statements of the group for the period ended 30 June 2019 have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the group's annual financial statements for the year ended 31 December 2018, which were prepared in accordance with IFRS's as adopted by the European Union.

The directors are satisfied that, at the time of approving the consolidated interim financial statements, it is appropriate to continue to adopt a going concern basis of accounting.

2.2 Accounting Policies

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the group's annual financial statements for the year ended 31 December 2018, except for those policies detailed below.

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations issued by the International Accounting Standards Board as adopted by the European Union ("IFRSs") and with those parts of the Companies Act 2006 applicable to companies preparing their accounts under IFRSs. The consolidated financial statements have been prepared under the historical cost convention.

Accounting for investments in associates

The Group follows IAS 28 Investments in Associates in its accounting treatment of investments in which it holds less than a majority stake. Accordingly, the Group consolidates the associate on the basis of cost plus a proportion of profits for the period.

Impact of the adoption of IFRS 16: Leases

IFRS 16 is effective from 1 January 2019. The standard eliminates the classification of leases as either operating or finance leases and introduces a single accounting model. Lessees are required to recognise a right-of-use asset and related lease liability for their operating leases and show depreciation of leased assets and interest on lease liabilities separately in the income statement. IFRS 16 requires the Group to recognise substantially all of its operating leases on the balance sheet.

The Group adopted IFRS 16 effective 1 January 2019 on a modified retrospective basis. Accordingly, prior year financial information has not been restated and will continue to be reported under IAS 17: Leases. The right-of-use asset and lease liability have initially been measured at the present value of remaining lease payments, with the right-of-use asset being subject to certain adjustments.

When applying IFRS 16, the Group has applied the following practical expedients, on transition date:

- Reliance on the previous identification of a lease (as provided by IAS 17) for all contracts that existed on the date of initial application;
- Reliance on previous assessments on whether leases are onerous instead of performing an impairment review;
- Exclusion of initial direct costs from the measurement of the right-to-use asset at the date of initial application;
- The accounting for operating leases with a remaining term of less than 12 months as at 1 January 2019 as short-term leases; and
- The use of hindsight, such as determining the lease term if the contract contains options to extend or terminate the lease.

The right of use asset and lease liability recorded on the unaudited consolidated interim balance sheet as of 1 January 2019 were £5,813k and £4,163k respectively.

For the six months ended 30 June 2019, depreciation of the right-of-use asset and recognition of interest on the lease liability in the unaudited consolidated interim income statement replaced amounts recognised as rent expense under IAS 17. The implementation of IFRS 16 on 1 January 2019 resulted in a decrease to profit of £44k, comprised of an increase to depreciation of £500k, an interest charge of £101k and a reduction in lease charge of £557k.

The following table reconciles the opening balance for the lease liabilities as at 1 January2019 based upon the operating lease obligations as at 31 December 2018:

	£'000
Operating lease commitments at 31 December 2018	5,813
Short-term leases not included in lease liabilities	(50)
Extension options reasonably certain to be exercised	413
Leases starting after 1 January 2019 included in lease commitments	(1,100)
Gross lease liabilities at 1 January 2019	**5,076**
Effect of discounting	(913)
Lease liabilities at 1 January 2019	**4,163**

3. Segment Information

The Group's primary reporting format for segment information is business segments which reflect the management reporting structure in the Group.

	Media Planning & Buying £'000	Design, Build &UX £'000	Content Management £'000	Data Analytics £'000	Full Service Agency £'000	Group and consold'n £'000	Total £'000
Billings							
External	11,338	8,042	2,445	1,880	4,177	-	27,881
Intercompany	536	167	3	367	26	(1,100)	-
	11,874	8,209	2,448	2,247	4,203	(1,100)	27,881
Revenue	2,047	7,839	946	2,050	1,915	-	14,797
Profit/(loss) before tax	(37)	1,295	107	794	(239)	(3,657)	(1,737)
Balance sheet							
Assets	11,099	12,932	1,006	1,770	2,968	23,290	53,065
Liabilities	(8,740)	(2,241)	(806)	(973)	(1,216)	(23,752)	(37,728)
Net assets/(liabilities)	2,359	10,691	200	797	1,752	(462)	15,337
Other							
Capital expenditure							
- Tangible fixed assets	7	48	15	2	24	7	103
Depreciation, amortisation and other non cash expenses	19	38	9	8	28	2,667	2,769
Interest paid	-	-	-	-		224	224

There was one client accounting for more than 10% of the Group's turnover in the period (£3,489k)

4. Earnings per share

The earnings per share is based on the following:

	2019 £
Earnings	(1,641,712)
Weighted average number of shares	1,040,778,370
Diluted number of shares	1,415,091,584
Earnings per share	(0.00)
Diluted earnings per share	(0.00)

Earnings per ordinary share has been calculated using the weighted average number of shares in issue during the year. The weighted average number of equity shares in issue was 1,040,778,370.

The diluted earnings per share is the same as the earnings per share due to the consolidated group loss.

5. Intangible Assets

	Development Costs £'000	Goodwill on Consolidation £'000	Customer relationships £'000	Brand Value £'000	Total £'000
Cost					
31 December 2018	544	44.099	8,935	4,382	57,960
30 June 2019	544	44,099	8,935	4,382	57,960
Amortisation					
31 December 2018	514	12,490	8,297	2,783	24,084
Charge for the period	7	-	363	576	946
Impairment	-	1,088	80	-	1,168
30 June 2019	521	13,578	8,740	3,359	26,198
Net book value					
30 June 2019	23	30,521	195	1,023	31,762
31 December 2018	30	31,609	638	1,599	33,876
30 June 2018	45	37,848	1,756	2,310	41,934
31 December 2017	45	38,830	3,317	3,040	45,232

The development costs relate to Amplify and Content Compass, data analytics tools developed in-house by Agenda21.

6. Liabilities

Current Liabilities	**June 2019 £'000**	**December 2018 £'000**
Trade creditors	5,611	2,951
Accruals and deferred income	2,341	3,846
Other creditors	1,121	243
Other taxes and social security	2,512	2,400
Lease liability	921	-
Bank loans	2,828	3,000
Deferred consideration	12,425	8,657
	27,759	22,071

Non-current liabilities

Deferred consideration	2,160	3,150
Lease liability	3,809	-
Bank and other loans	3,605	3,520
Deferred taxation	395	395
Contingent consideration	-	3,220
	9,969	10,285

7. Share capital

Allotted, issued and fully paid	No	Value £
Ordinary shares of 1p each	1,040,778,370	10,407,784

At 30 June 2019 the number of shares covered by option agreements amounted to 58,752,033.

8. Seasonality

From a revenue perspective there are no clearly identifiable trends suggesting a bias in favour of one reporting period over another.

9. Post Balance Sheet Events

On 5 July 2019 Be Heard Group plc issued 206,048,214 shares to satisfy deferred consideration due at an average price of 2.52p to a book value of £5,200,519.

Further copies of this document are available both at the registered office of the Company and from the offices of the Company at 53 Frith Street, London W1D 4SN. The statement will also be available to download on the Company's website.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.