ACHP PLC (formerly Pro Global Insurance Solutions plc)

Interim Report 30 June 2017

ACHP PLC (formerly Pro Global Insurance Solutions plc)

INTERIM RESULTS

ACHP plc (the “Company”) is listed on the AIM market and owns 33% of the voting shares and 30% of the economic rights in Asta Capital Limited (“Asta”), one of the best performing service providers in the Lloyd's market. After the period end date, the Company repaid most of its borrowings and now has only £1.7 million of debt remaining.

The Company was formerly known as Pro Global Insurance Solutions plc and was renamed ACHP plc on 30 June 2017. On 22 December 2016, the Company announced that it had conditionally agreed to sell the shares in its subsidiaries operating its outsourcing and consulting business to Pro Global Holdings Limited. Following the approval of shareholders and receipt of all required regulatory approvals, the sale was completed on 30 June 2017. The final consideration was £7.0 million comprising an initial headline consideration of £8.3 million less £1.3 million contractual closing adjustments. £6.6 million from the funds received were used to repay fully the loan from Natixis on 3 July 2017.

The sole remaining investment of the Company, Asta, was previously held at its initial investment cost of £6.5 million, progressively reduced by the redemption of preference shares issued as part of the 2012 investment structuring. The remaining value of £2.3 million no longer reflected a fair value for this investment. Therefore, the Company revalued its investment in Asta to fair value. This revaluation was based on a third-party valuation of Asta calculated with a multiple applied to a projection of sustainable earnings before interest, taxation, depreciation and amortisation (“EBITDA”). This increased the carrying value of the Company’s investment from £2.3 million, as reported in the 2016 financial statements, to £19.6 million. To comply with Financial Reporting Standards, this valuation has been reflected in the comparative information and shareholders’ equity increased from £0.4 million, as reported in 2016, to £17.7 million.

The Company is no longer required to prepare consolidated group accounts and therefore the financial information presented in the accounts as at 30 June 2017 and the comparative information for 2016 relates to ACHP plc as a single company. Operating loss from continuing operations before finance costs for the 6 months to 30 June 2017 was £(0.8) million (2016: £(0.8) million and finance costs comprising interest payable on borrowings were £(0.2) million (2016: £(0.2) million). The additional loss recognised in these financial statements from the sale of the Company’s subsidiaries was £(0.8) million comprising agreed adjustments to the sale’s price and other costs relating to the sale. Total loss for the period was £(1.9) million (2016: £(1.1) million).

Following completion of the sale on 30 June 2017, Arthur Niemczewski and Andrew Donnelly resigned as Directors. On the same date, Marvin Mohn, the Company’s General Counsel, was appointed as a Director, Stephen Baxter was appointed as a Director and Chief Financial Officer and Gilles Erulin, formerly a non-executive Director, was appointed Chief Executive Officer.

Asta and its subsidiaries continue to perform strongly and on 2 August 2017, Asta redeemed its remaining preference shares, which provided cash inflow to the Company of £2.3 million. The funds received were used to finance a £1.8 million repayment of the Financière Pinault unsecured working capital loan leaving £1.7 million outstanding.

The strategy of the Company is to manage and monitor its investment in Asta while actively supporting Asta’s strategic growth plans and to focus on minimising its cost base.

ACHP PLC (formerly Pro Global Insurance Solutions plc)

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2017

	Notes	**6 months 30 Jun 2017 (unaudited) £000's**	6 months 30 Jun 2016 (unaudited) £000's
Continuing operations			
Income from investment in associated undertaking		**91**	115
Administrative expenses		**(875)**	(939)
Results of operating activities		**(784)**	(824)
Finance costs		**(234)**	(243)
Loss on ordinary activities before taxation		**(1,018)**	(1,067)
Taxation		**-**	-
Loss for the period from continuing operations		**(1,018)**	(1,067)
Loss for the period from discontinued operations	5	**(845)**	-
Loss for the period		**(1,863)**	(1,067)
Loss for the period from continuing operations		**(1,018)**	(1,067)
Loss for the period from discontinued operations		**(845)**	-
Loss for the period attributable to owners of the Company		**(1,863)**	(1,067)
Earnings per share	4		
From continuing and discontinued operations			
Basic: Ordinary shares (pence per share)		**(1.63)**	(0.94)
Diluted: Ordinary shares (pence per share)		**(1.58)**	(0.90)
From continuing operations			
Basic: Ordinary shares (pence per share)		**(0.89)**	(0.94)
Diluted: Ordinary shares (pence per share)		**(0.86)**	(0.90)

ACHP PLC (formerly Pro Global Insurance Solutions plc)

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	Notes	**30 Jun 2017 (unaudited) £000's**	31 Dec 2016 (restated) £000's
ASSETS			
Non-current assets			
Investment in subsidiary undertakings	5	**-**	8,300
Investment in associated undertaking	6	**19,621**	19,621
		19,621	27,921
Current assets			
Loans and receivables		**63**	75
Cash and cash equivalents		**6,864**	83
		6,927	158
Total assets		**26,548**	28,079
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		**2,280**	2,280
Revaluation reserve		**17,321**	17,321
Other reserves		**3,556**	3,072
Retained earnings		**(6,854)**	(4,991)
Total equity attributable to owners of the Company		**16,303**	17,682
Non-current liabilities			
Financial liabilities – borrowings	7	**3,316**	6,511
		3,316	6,511
Current liabilities			
Financial liabilities – borrowings	7	**6,603**	3,216
Other liabilities		**326**	670
		6,929	3,886
Total liabilities		**10,245**	10,397
Total equity and liabilities		**26,548**	28,079

ACHP PLC (formerly Pro Global Insurance Solutions plc)

CONDENSED STATEMENT OF CHANGES IN EQUITY

As at 30 June 2017

	Share capital	Revaluation reserve	Other reserves: Share based payments reserve	Other reserves: Capital redemption reserve	Other reserves: Total other reserves	Retained earnings	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Balance at 1 January 2016, as previously stated	2,264	-	2,691	256	2,947	(1,683)	3,528
Changes on transition to FRS 102	-	17,321	-	-	-	-	17,321
Loss for the period	-	-	-	-	-	(1,067)	(1,067)
Total comprehensive losses for the period	-	-	-	-	-	(1,067)	(1,067)
Issue of share capital	5	-	-	-	-	-	5
Total transactions with owners, recognised directly in equity	5	-	-	-	-	-	5
Balance at 30 June 2016 (unaudited)	2,269	17,321	2,691	256	2,947	(2,750)	19,787
Balance at 1 January 2017, as previously stated	**2,280**	**-**	**2,816**	**256**	**3,072**	**(4,991)**	**361**
Changes on transition to FRS 102	**-**	**17,321**	**-**	**-**	**-**	**-**	**17,321**
Loss for the period	**-**	**-**	**-**	**-**	-	**(1,863)**	**(1,863)**
Total comprehensive losses for the period	**-**	**-**	**-**	**-**	**-**	**(1,863)**	**(1,863)**
Credit to equity for equity settled share-based payment	**-**	**-**	**484**	**-**	**484**	**-**	**484**
Total transactions with owners, recognised directly in equity	**-**	**-**	**484**	**-**	**484**	**-**	**484**
Balance at 30 June 2017 (unaudited)	**2,280**	**17,321**	**3,300**	**256**	**3,556**	**(6,854)**	**16,303**

ACHP PLC (formerly Pro Global Insurance Solutions plc)

CONDENSED STATEMENT OF CASH FLOWS

For the period ended 30 June 2017

	Notes	**6 months 30 Jun 2017 (unaudited) £000's**	6 months 30 Jun 2016 (unaudited) £000's
Net cash from operating activities	8	**(135)**	(331)
Taxation paid		**-**	-
Net cash used in operating activities		**(135)**	(331)
Cash flow from investing activities			
Disposal of subsidiary undertakings (net of cash disposed)	5	**6,963**	-
Dividends received from associated undertaking		**91**	1,815
Net cash generated from investing activities		**7,054**	1,815
Cash flow from financing activities			
Repayment of borrowings		**-**	(1,176)
Interest paid		**(138)**	(252)
Net cash used in financing activities		**(138)**	(1,428)
Net increase in cash and cash equivalents		**6,781**	56
Cash and cash equivalents at the beginning of the period		**83**	296
Exchange gains on cash and cash equivalents		**-**	3
Cash and cash equivalents at the end of the period		**6,864**	355

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the period ended 30 June 2017

1. General information

The interim financial statements do not constitute statutory accounts as defined in section 434 of the Companies Act 2006 and should be read in conjunction with the Company's financial statements for the year ended 31 December 2016. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors' report on those accounts was not qualified, did not include a reference to any matters to which the auditors draw attention by way of emphasis without qualifying the report, and did not contain any statements under section 498(2) or 498(3) of the Companies Act 2006.

The prior period financial statements were prepared in accordance with International Accounting Standards (IAS). The Directors have voluntarily changed the accounting framework to United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice "UK GAAP") in the current period. The adoption of Financial Reporting Standard FRS 102 has resulted in the Company valuing its investment in associated undertaking at fair value through other comprehensive income. For more information refer to note 12.

The Company disposed of all its subsidiary undertakings on 30 June 2017, its only remaining investment being its investment in associated undertaking, Asta. As the Company ceased to be a parent on 30 June 2017 consolidated financial statements have not been prepared.

The Directors have considered the position of the Company's assets compared to the liabilities. In addition, they have assessed the Company's liquidity with regard to expected future cash flows. They have also considered the performance of the business, as discussed in the interim results. In light of these reviews, the Directors have concluded that it is appropriate to adopt the going concern basis in preparing the interim report.

The interim results have been reviewed by the Group's auditors, Mazars LLP, and their review report is set out on page 16.

2. Significant accounting policies

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the period and the preceding period in dealing with items which are considered material in relation to the Company's financial statements. Details of the transition to FRS 102 are disclosed in note 12.

a. Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and are in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice "UK GAAP"), including Financial Reporting Standard (FRS 104) issued by the Financial Reporting Council.

b. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Company's chief operating decision-maker. The Company's chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer.

As the Company has no identified reportable segments no segmental analysis is prepared.

2. Significant accounting policies (continued)

c. Discontinued operations

A discontinued operation is a component of the Company's business, the operations and cash flows of which can be clearly distinguished from the rest of the Company and which represents a separate major line of business or geographical area of operations.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier

d. Revenue recognition

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established. Dividend income is shown as income from interest in associated undertaking in the income statement.

e. Foreign currencies

The Company's functional currency is pound sterling, as this is the currency of the primary economic environment in which the entity operates.

The financial statements are presented in pound sterling and rounded to the nearest thousand.

Transactions in foreign currencies are initially recorded using the rates of exchange ruling at the date the transaction occurs. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the income statement.

Monetary assets and liabilities denominated in foreign currencies at the period end date are translated using the rates of exchange prevailing at the period end date. Any gains or losses arising on translation are included in the income statement.

f. Employee benefits

Pension costs

The Company operates defined contribution pension arrangements. Contributions are charged to the income statement as employee benefit expenses as they become payable in accordance with the rules of each scheme. The Company has no further payment obligations once the contributions have been paid.

Share-based payments

The Company issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of its original estimates, if any, is recognised in the income statement such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share based payment reserve.

Fair value is measured by use of two stochastic valuation models, namely the Monte Carlo method and the Black-Scholes valuation model. The expected life used in the models has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restriction, and behavioural considerations.

2. Significant accounting policies (continued)

g. Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the period end date.

The charge for taxation is based on the profit for the period and takes into account deferred taxation.

Deferred taxation is provided in full on timing differences between recognition of gains and losses in the financial statements and the recognition for taxation purposes. Deferred taxation liabilities are provided in relation to transactions that have occurred by the period end date. Deferred taxation assets are recognised when it is considered that the benefit is more likely than not to accrue to the Company. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and tax laws that have been enacted or substantively enacted by the period end date. Deferred tax is measured on a non-discounted basis.

h. Investment in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost less, where appropriate, provisions for impairment.

i. Investment in associated undertakings

Investment in associated undertakings are initially recognised at the transaction price, including transaction costs.

The Company has elected to subsequently account for its Investment in associated undertakings at fair value, with changes in fair value recognised in other comprehensive income.

j. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all its liabilities.

The Company has chosen to apply the provisions of both Section 11 and Section 12, of FRS 102, in full to account for all of its financial instruments.

Financial assets and liabilities

Basic financial assets, include loans and receivables and cash and cash equivalents. Basic financial liabilities, include borrowings and other liabilities.

Financial assets and liabilities are initially measured at the transaction price including transaction costs, unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the transaction is measured at the present value of the future receipts / payments discounted at a market rate of interest for a similar debt instrument.

2. Significant accounting policies (continued)

Financial assets and liabilities that are due within one year

Financial assets and liabilities which meet the conditions of basic financial instruments that are classified as payable or receivable within one year on initial recognition are subsequently measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment. Any losses arising from impairment are recognised in the income statement in administrative expenses.

Financial assets and liabilities that are due after one year

Financial assets and liabilities which meet the conditions of basic financial instruments that are classified as payable or receivable after one year on initial recognition are subsequently measured at amortised cost using the effective interest method. As the Company revises its estimates of payments or receipts, the carrying amount of these financial assets or financial liabilities is adjusted to reflect actual and revised estimated cash flows. The Company recalculates the carrying amount by computing the present value of estimated future cash flows at the financial instrument's original effective interest rate. The resulting adjustment is recognised as income or expense in the income statement at the date of the revision.

Derecognition of financial assets and liabilities

Financial assets are derecognised when and only when the contractual rights to the cash flows from the financial asset expire or are settled, the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

k. Impairment of assets

Assets are assessed for indicators of impairment at each period end date. If there is objective evidence of impairment, an impairment loss is recognised in the income statement as described below.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

l. Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

3. Critical accounting judgements and estimates

In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Valuation of investment in associated undertaking

Determining the fair value of the Company's investment in its associated undertaking requires estimation. As the investment is not quoted in an active market and the price of a recent transaction for an identical asset is unavailable; the Company is required to estimate the fair value by means of a valuation technique. The valuation technique is to estimate what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal business considerations.

The valuation applies judgement and makes assumptions when determining what maintainable annual profits are reasonably expected to be should the associated undertaking operate at its current size and capacity, without making any allowances for risk or growth.

Judgement and assumptions are similarly made when deciding what multiple to apply to the maintainable profits. The multiple should reflect the combination of the growth prospects of the business and the inherent risks of the industry as a whole and the Company in particular. The Company's applied multiple is based on the original purchase price of the investment adjusted to reflect changes in the business since then.

Whilst the Directors consider that the valuation of the investment is fairly stated on the basis of the information currently available to them, due to the nature of this valuation there is intrinsic uncertainty in this estimate.

4. Earnings per share

	30 Jun 2017 (unaudited) £000's	30 Jun 2016 (unaudited) £000's
Earnings		
Earnings for the purposes of basic earnings per share from continuing and discontinued operations being net loss attributable to equity holders of the Company	**(1,863)**	(1,067)
Earnings for the purposes of basic earnings per share from continuing operations being net loss attributable to equity holders of the Company	**(1,018)**	(1,067)
Earnings for the purposes of basic earnings per share from discontinued operations being net loss attributable to equity holders of the Company	**(845)**	-

	30 Jun 2017	30 Jun 2016
Number of shares		
Weighted average number of Ordinary Shares for the purposes of basic earnings per share	**113,977,782**	113,269,097
Effect of dilutive potential Ordinary Shares: Share options	**4,185,233**	4,993,221
Weighted average number of Ordinary Shares for the purposes of diluted earnings per share	**118,163,015**	118,262,318

Basic earnings per share	**30 Jun 2017 UK pence**	30 Jun 2016 UK pence
From continuing and discontinued operations		
Basic: Ordinary Shares (pence per share)	**(1.63)**	(0.94)
Diluted: Ordinary Shares (pence per share)	**(1.58)**	(0.90)
From continuing operations		
Basic: Ordinary Shares (pence per share)	**(0.89)**	(0.94)
Diluted: Ordinary Shares (pence per share)	**(0.86)**	(0.90)
From discontinued operations		
Basic: Ordinary Shares (pence per share)	**(0.74)**	-
Diluted: Ordinary Shares (pence per share)	**(0.72)**	-

5. Sale of subsidiary undertakings

The Company announced the sale of all its subsidiary undertakings to Pro Global Holdings Limited on 22 December 2016. Following regulatory approval, the sale completed on 30 June 2017. Details of the subsidiary undertakings wholly disposed of are below:

Subsidiary undertakings disposed	Portion of ownership held and disposed
C.I.R.A.S Limited	100.00%
Chiltington Holdings Limited *	100.00%
Chiltington Internacional S.A de CV	85.00%
Chiltington International Holding GmbH *	100.00%
Chiltington International Inc	100.00%
Chiltington International Limited	100.00%
Hermes People Limited	100.00%
P.I.R Holder S.L. (formerly Chiltington Internacional S.L.)	100.00%
Pro Claims Solutions GMBH	100.00%
PRO Insurance Solutions Limited *	100.00%
Pro Insurance Solutions S.A. (formerly Chiltington Internacional S.A.)	98.00%
Pro Insurance Solutions GmbH	100.00%
PRO IS, Inc *	100.00%
Pro US Holdings, Inc *	100.00%
Professional Resources Limited	100.00%
Professional Resources SA	85.00%
STRIPE Global Services Limited *	100.00%
Tasca Consulting Limited	100.00%

** Held directly by ACHP plc*

The assets disposed of and the related sale proceeds were as follows:

	30 Jun 2017 (unaudited) £000's
Investment in subsidiary undertakings	**8,300**
Loss on disposal of operations	**(1,337)**
Sale proceeds	**6,963**
Satisfied by:	
Cash and cash equivalents	**6,963**

The consideration was settled in cash by the purchaser on 30 June 2017. The loss on sale is included in the results of discontinued operations. Total discontinued operations for the period are:

	30 Jun 2017 (unaudited) £000's
Loss on disposal of operations	**(1,337)**
Discontinued net income and expenses	**492**
Loss for the period from discontinued operations	**(845)**

6. Investment in associated undertaking

The Company has a 30% interest in Asta Capital Limited ("Asta"), a private company incorporated in Great Britain. The Company owns 300 £1 ordinary shares and 2,299,700 £1 preference shares. Asta is a leading turnkey managing services company in Lloyds.

The Company previously accounted for its investment at cost, less any provisions for impairment. As the Company transitioned to FRS 102 on 30 June 2017, it has elected to value its investment at fair value through other comprehensive income, as explained in accounting policy note 2i.

		30 Jun 2017 (unaudited)		31 Dec 2016 (restated)
	Carrying value £000's	**Cost £000's**	Carrying value £000's	Cost £000's
Balance at 1 January 2016	**19,621**	**2,300**	4,000	4,000
Redemption of preference shares	**-**	**-**	(1,700)	(1,700)
Revaluation	**-**	**-**	17,321	-
Balance at 30 June 2017 / 31 December 2016	**19,621**	**2,300**	19,621	2,300

Asta's shares are not traded in an active market, and there is no quoted market price available. An independent valuation was carried out on 30 November 2016 which valued the Company's equity investment at £17,321k.

The valuation was prepared on an earnings basis by applying multiples to adjusted maintainable earnings before interest tax, depreciation and amortisation ("EBITDA"). This basis was chosen as Asta has a history of making profits. The maintainable EBITDA is the sustainable profit figure which could reasonably be expected to be produced annually by Asta operating at its current size and capacity, without any allowances for risk or growth. The multiples used were agreed by the Directors and reflect Asta's risk and growth prospects.

On 2 August 2017 Asta redeemed its remaining preference shares realising £2,300k.

7. Financial liabilities – borrowings

The Company had a secured loan facility with Natixis Bank which was secured by the Company's investment in Asta. The rate of interest for the loan was 6 month LIBOR plus a margin of 4.5%. At 30 June 2017, the balance payable including interest was £6,593k (31 December 2016: £6,441k). On 3 July 2017, this facility was fully repaid.

An €8 million facility is in place for an unsecured working capital loan with the Company's ultimate parent company, Financière Pinault. The rate of interest for the loan is 3.5% per annum above LIBOR and the facility's final maturity date is 30 September 2019. At 30 June 2017 the balance payable including interest was £3,326k (31 December 2016: £3,005k). On 31 August €1,981k of the outstanding balance was repaid.

Borrowings are classified as financial instruments - other liabilities. The carrying amounts of the other liabilities in the financial statements approximate to their fair value.

8. Net cash from operating activities

	30 Jun 2017 (unaudited) £000's	30 Jun 2016 (unaudited) £000's
Loss for the period	**(1,863)**	(1,067)
Adjustments for:		
Taxation	**-**	-
Finance costs	**234**	243
Income from interest in associated undertaking	**(91)**	(115)
Effect of foreign exchange rate changes	**96**	6
Loss on disposal of operations	**1,337**	-
Share based payment charge	**484**	-
Operating cash flow before movements in working capital	**197**	(933)
Decrease in loans and receivables	**12**	2,695
Decrease in other liabilities	**(344)**	(2,093)
Net cash from operating activities	**(135)**	(331)

9. Related party transactions

The following have been identified as related parties to the Company for the periods presented:

- Subsidiary undertakings;
- Associate undertaking Asta Capital Limited and its subsidiaries ("Asta");
- Parent company and ultimate controlling party.

Subsidiary undertakings

FRS 102 paragraph 33.1A exempts disclosure of transactions entered into between members of the same group, provided that the subsidiary undertakings party to the transactions are wholly owned by the Company. Therefore, transactions and balances between the Company and wholly owned subsidiary undertakings are not disclosed in this note.

Associated undertaking

During the period to 30 June 2017 the Company received preference dividends of £91k (30 June 2016: £115k) from its associated undertaking.

Parent company and ultimate controlling party

The ultimate parent company is Financière Pinault S.C.S., a Société en commandite simple incorporated in France. The parent undertaking of the largest group which includes the Company and for which group accounts are prepared is Financière Pinault S.C.S., a company incorporated in France. Copies of the group financial statements of Financière Pinault S.C.S. may be obtained from the Tribunal de Commerce de Paris, 1 Quai de Corse, 75004, Paris, France.

During the period to 30 June 2017 Financière Pinault S.C.S. charged the Company fees and interest of £46k (30 June 2016: £65k). As at 30 June 2017 the Company owed Financière Pinault S.C.S. £3,326k (31 December 2016: £3,005k), full details are disclosed in note 7.

10. Contingent liabilities

At 30 June 2017, the Company did not have any material contingent liabilities.

11. Subsequent events

The loan facility from Natixis Bank was fully repaid with interest on 3 July 2017.

On 2 August 2017, the Company's associated undertaking, Asta, redeemed the remaining 2,299,700 £1 preference shares held by the Company. The funds received were used to finance €1,981k (c.£1.8 million) repayment of the Financière Pinault unsecured working capital loan on 31 August 2017.

Post 30 June 2017 there are no ongoing pension arrangements as the Company has no more employees.

On 11 July 2017, the Company issued 4,018,566 £0.02 ordinary shares relating to shares vesting under certain award schemes. Post 30 June 2017 there are no ongoing share based payment arrangements in existence.

12. Transition to Financial Reporting Standard 102 ("FRS 102")

The Directors have voluntarily elected to apply United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice "UK GAAP") including FRS 102 to the upcoming year end, 31 December 2017, as the Directors are of the opinion that these accounting standards present the financial performance and position of the Company in the most meaningful and accessible way.

This is the first period that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) as issued by the Financial Reporting Council. The financial statements were prepared in accordance with International Accounting Standards ("IAS") for the year ended 31 December 2016, the date of transition to FRS 102 is therefore 1 January 2016. As a consequence of adopting FRS 102, a number of accounting policies have changed to comply with that standard. The only change to have an impact is the change to the Company's investment in associated undertakings accounting policy. On an IFRS basis this investment was held at cost less any provisions for impairment. On a UK GAAP basis, the Company has chosen to subsequently account for its investment in associated undertakings at fair value through other comprehensive income.

			As at 31 Dec 2016
	As previously stated	**Changes on transition to FRS 102**	**As restated**
Statement of other comprehensive income	**£000's**	**£000's**	**£000's**
Loss for the year	(3,308)	-	**(3,308)**
Other comprehensive income			
Gains arising on revaluation of investment in associated undertaking	-	-	**-**
Total comprehensive losses for the period	(3,308)	-	**(3,308)**

			As at 31 Dec 2016
	As previously stated	**Changes on transition to FRS 102**	**As restated**
Statement of changes in equity	**£000's**	**£000's**	**£000's**
Balance as at 1 January 2016	3,669	17,321	**20,990**
Loss for the year	(3,308)	-	**(3,308)**
Other comprehensive income			
Gains arising on revaluation of investment in associated undertaking	-	-	**-**
Balance as at 31 December 2016	361	17,321	**17,682**

Independent review report to ACHP plc

We have been engaged by ACHP plc to review the financial information for the six months ended 30 June 2017 which comprises the condensed statement of comprehensive income, the condensed statement of financial position, the condensed statement of changes in equity, the condensed statement of cash flows and related notes. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Respective responsibilities of Directors and auditor

The interim report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the interim report in accordance with the AIM Rules issued by the London Stock Exchange, which require that the interim report be prepared and presented in a form consistent with that which will be adopted in the Company's annual accounts having regard to the accounting standards applicable to such annual accounts.

Our responsibility is to express to the Company a conclusion on the financial information in the interim report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial information in the interim report for the six months ended 30 June 2017 is not prepared, in all material respects, in accordance with United Kingdom Financial Reporting Standard 104 "Interim Financial Reporting" and in accordance with the AIM Rules issued by the London Stock Exchange.

Mazars LLP
Chartered Accountants
Tower Bridge House
St Katharine's Way
London, E1W 1DD
28 September 2017

Notes:
(a) The maintenance and integrity of the website is the responsibility of the Directors; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the interim report since it was initially presented on the web site.
(b) Legislation in the United Kingdom governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

COMPANY INFORMATION

Directors

Tim Carroll
Independent Non-Executive Chairman

Artur Niemczewski
Chief Executive Officer (resigned 30 June 2017)

Gilles Erulin
Non-Executive Director (resigned 30 June 2017)
Chief Executive Officer (appointed 30 June 2017)

Andrew Donnelly
Chief Financial Officer (resigned 30 June 2017)

Stephen Baxter
Chief Financial Officer (appointed 30 June 2017)

Marvin Mohn
Executive Director (appointed 30 June 2017)

Loïc Brivezac
Non-Executive Director

Registered Office

120 Pall Mall
London, SW1Y 5EA

Company registration number

4200676

Secretary

Michael Dalzell (resigned 30 June 2017)
Martha Bruce (appointed 30 June 2017)

Nominated Advisor and Broker

Peel Hunt LLP
120 London Wall
London, EC2Y 5ET

Auditor

Mazars LLP
Tower Bridge House
St Katharine's Way
London, E1W 1DD

Solicitors

DLA Piper UK LLP
3 Noble Street
London, EC2V 7EE

Principal Bankers

Barclays Bank plc
1 Churchill Place
Canary Wharf
London, E14 5HP

Registrars

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ