The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014.

23 September 2019

The Barkby Group PLC

("Barkby" or the "Company")

Financial Statements for the seventeen months ended 31 May 2019

The Barkby Group PLC (NEX: BARK), is pleased to announce its financial statements for the seventeen months ended 31 May 2019.

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Chairman's Statement

I am pleased to present the Annual Report and Financial Statements for The Barkby Group PLC ("Barkby" or the "Company") for the period from 1 January 2018 to 31 May 2019.

The last 17 months have been a busy time for the Company and represent a period of significant strategic change and progress. In January 2018 Barkby signed heads of terms with a boutique hospitality group, Turf to Table ("T2T"), and the Company's shares were subsequently cancelled from trading on the AIM market. Simultaneously with the completion of the acquisition of in June 2018, the Company was admitted to the NEX Exchange Growth Market ("NEX") under the Company's new name, The Barkby Group Plc.

Turf to Table is a boutique hospitality group focused on premium gastropubs, inns and function spaces in Oxfordshire and Gloucestershire. The acquisition represented a transformational step in the future of the Company and an opportunity to benefit from an established business which provided a platform for significant growth through expansion to other properties.

The period under review has seen Barkby significantly expand its portfolio of assets. The George at Burpham was added in November 2018 and an eight-year operating agreement with the Queens Arms in East Garston was entered into in March 2019, both of which further contribute to the Group's premium hospitality offering. Most recently, in May 2019, Barkby signed a new six-year leasehold agreement with Arkell's Brewery Ltd for The Rose and Crown Inn in Ashbury, near Swindon. The addition of these new properties represents further implementation of the Company's strategy to develop a large portfolio of premium hospitality properties, which currently consists of six gastropubs and inns.

Barkby also completed the acquisition of Centurian Automotive Limited, an award-winning automotive dealership with a strong and fast growing online digital presence. The acquisition of Centurian Automotive is complementary to Barkby's existing high-end consumer offering, immediately earnings enhancing, and the business has ambitious plans for future growth.

Results

Revenues for the period from 1 January 2018 to 31 May 2019 were £6,286,000, with profit before tax of £75,000. The Company reported a profit from continuing operations of £323,000 for the period, compared to a profit from finance income of £214,000 for the year to 31 December 2017. The profit in the period includes the exceptional items of completing the acquisitions, entering into the leases for all pubs, and a staff restructure and bonuses.

Summary and outlook

Looking ahead, we are optimistic about the pipeline of opportunities for organic and acquisitive growth in line with our stated strategy. Following the restructuring of the original T2T business, and the addition of 3 more pub leases, we continue to build a fast growing and solid consumer hospitality group with good see through growth, and we are confident that Barkby's strong reputation for high quality food and customer service positions us well for future growth.

I would like to thank our shareholders, management, employees and advisors for their support during the course of the year and I look forward to providing further updates on our progress in the near future.

C G Clarke
Chairman
23rd September 2019
*after amortisation, depreciation and interest

CEO Statement

I am pleased to report a solid set of results for the period from 1 January 2018 to 31 May 2019, in which the Group has made significant operational and strategic progress.

Overview

The Barkby Group Plc was originally incorporated under the name Sovereign Mines of Africa Plc as an acquisition vehicle for the purposes of acquiring mining concerns in Africa, and was listed on AIM in July 2011. The Company completed the farm-out of its previous 75% interest in the Mandiana Gold Project in January 2017, leaving the Company with no business or operations, and a remit to make an acquisition which would constitute a reverse takeover under the AIM Rules for Companies (the "AIM Rules").

It was announced on 15 January 2018 that the Company had signed a non-binding Heads of Terms with Turf to Table. The Company's shares were subsequently cancelled from trading on the AIM market on 22 January 2018, having not made an acquisition constituting a reverse takeover within a year of becoming an investing company under the AIM Rules.

Simultaneously with the acquisition of the T2T assets and liabilities on 26th June 2018, the Company admitted its entire share capital to trading on NEX under the Company's new name, The Barkby Group Plc.

Following the acquisition of T2T, Barkby immediately set about increasing revenue and streamlining systems and processes across the business to achieve economies of scale. These initiatives improved margins and enabled capacity for further acquisitions and partnerships.

Growth of the Business

The Group has completed a number of acquisitions and deals in the period in line with its strategy to develop a large portfolio of premium hospitality properties. The George at Burpham was added in November 2018, and an operating agreement with the Queens Arms was entered into in March 2019, both of which further contribute to the Group's premium hospitality offering. In May 2019, Barkby entered into a new six-year leasehold agreement with Arkell's Brewery Ltd for The Rose and Crown Inn in Ashbury, near Swindon, bringing the Company's hospitality portfolio to six gastropubs and inns.

Barkby has established a reputation within its local markets for producing good quality food, served in high-end and atmospheric pub locations, with a keen focus on customer service. The estimated average spend per head places its restaurants alongside many other high-end gastropub restaurants in the sector.

For the local breweries that are the freeholders of The Five Alls and The Bull Hotel, the Company has demonstrated a proven method for updating and rejuvenating run-down or underperforming sites, that have resulted in an increased throughput of own products (ales, ciders etc.) and improved brand position in the local market.

Acquisition of Centurian Automotive

In February 2019, Barkby completed the acquisition of the entire share capital of Centurian Automotive Limited ("Centurian Automotive"). The initial consideration payable was approximately £314,000, satisfied by the issue of new ordinary shares in Barkby with a value of £201,000, and deferred consideration of up to approximately £113,000 over three years based on performance targets, also to be satisfied by the issue of new ordinary shares in Barkby.

The Acquisition reflects Barkby's ambition to make strategic acquisitions that complement its existing portfolio. Centurian Automotive's offering of hand-picked cars and first-class customer service is complementary to Barkby's existing high-end consumer offering and was immediately earnings enhancing.

Centurian Automotive is an award-winning automotive dealership with a strong and fast growing online digital presence. It was recently chosen by Autotrader from 13,000 motor dealers in the UK to represent the benchmark for all dealership training, marketing and master classes.

Following the acquisition, management has been focused on improving efficiencies within the business, reducing stock and overhead costs, and improving working capital. After a strong performance over the past few years, Centurian Automotive is now looking to expand to capture a wider market, and prospective sites in Wiltshire are currently being reviewed.

Strategy and future developments

Barkby remains committed to its policy of controlled expansion and maintaining tight cost controls. The Group intends to develop a large portfolio of premium hospitality properties in partnership with breweries across the UK and intends to scale up to 8 - 12 sites over the next 3 - 5 years. It is focused on a capital light, strong cashflow model with growth driven by quick turnaround of under-performing hospitality properties and other complementary businesses.

Financial Performance

The financial results presented in this report cover the 17 month period from 1 January 2018 to 31 May 2019. The period saw strong trading across the gastropubs: accounts show revenues for that period amounted to £6,286,000, with profit before tax of £75,000. The new controls and management systems implemented by Barkby have provided considerable improvements; food and drink margins are up, and staff turnover is considerably under the industry average, at 8.7%. A new back office system for the EPOS and room booking systems have also seen an increase in room bookings online.

Operational progress has been a key focus for the Group over the period, in order to increase organic growth as well as accelerate and maximise opportunities within the existing businesses. Additionally, we have grown inorganically via a stream of complementary acquisitions to the existing business. As a result, the Company reports a profit from continuing operations of £323,000 for the period, compared to a profit from finance income of £214,000 for the year to 31 December 2017. The profit in the period includes the exceptional items of completing the acquisitions, entering into the leases for all pubs, and a staff restructure and bonuses.

Our goal remains to maximise value for shareholders through operating exemplary businesses with diversified revenue streams.

This report was approved by the Directors on 23rd September 2019.

R Fraser
Chief Executive Officer

Financial Review

The Directors present their report and the audited financial statements for the period ended 31 May 2019.

The financial statements are presented in thousands of British Pounds Sterling (£'000). The financial statements have been prepared in accordance with the requirements of the International Financial Reporting Standards adopted by the European Union ("**IFRS**").

Directors responsibility statement

Legislation in the United Kingdom governing the preparation and dissemination of the accounts and the other information included in annual reports may differ from legislation in other jurisdictions.

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs') as adopted by the EU and applicable law.
Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

They are further responsible for ensuring that the Strategic Report and the Report of the Directors and other information included in the Annual Report and Financial Statements is prepared in accordance with applicable law in the United Kingdom.

The maintenance and integrity of the Barky Group Plc web site is the responsibility of the Directors; the work carried out by the auditors does not involve the consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred in the accounts since they were initially presented on the website.

Key performance indicators

The Directors monitor the performance of its boutique hospitality and luxury car businesses individually with key financial performance indicators appropriate for each business arm.

For the boutique hospitality business arm, the key performance indicators include:

- Food margin	68.2%
- Drink margin	64%
- Staff margin	43.8%
- Room occupancy	52.6%

For the luxury car business arm, the key performance indicators included:

- Number of cars sold	139
- Net profit	(£1,000)
- Gross profit	£253,000
- Number of cars in stock	176

Principal activities

The Company acts as a holding company and holds the boutique hospitality assets and liabilities. The principal activity of the Group is the operation of a consumer-focused hospitality and services group.

Results and dividends

The profit for the period, after taxation, amounted to £75,000 (2017: £214,000). The Directors do not recommend payment of a dividend.

Going concern

The Directors consider the going concern basis of preparation to be appropriate in preparing the financial statements. In considering the appropriateness of this basis of preparation, the Directors have reviewed the Group's working capital forecasts for a minimum of 12 months from the date of the approval of this financial information. Based on their consideration, the Directors have reasonable expectation that the Group has adequate resources to continue for the foreseeable future, and that carrying values of intangible assets are supported. Thus, they continue to adopt the going concern basis of accounting in preparing this financial information.

The Group will consider further acquisitions and is likely therefore to require further funding to finance the development of its business plan. The Directors are confident that the Group will be able to raise such funds as may be required from time to time for such requirements from investors and other sources of growth finance.

Directors

The Directors who served during the year were:

Steve Cook (appointed 30/01/19)
Rupert Fraser (appointed 26/06/18)
Sebastian Snow (appointed 26/06/18, resigned 31/10/18)
Emma Dark (appointed 26/06/18)
Duncan Harvey (appointed 26/06/18)
Charles Giles Clarke

Financial instruments

Details of the Company's financial instruments are given in note 15.

Matters covered in the strategic report

As required by sections 414C(11) and 410(7) of the 2006 Act, the strategic report contains a fair review of the business; the principal risks and uncertainties faced by the business; an indication of likely future developments of the Company, and the key financial and non-financial performance indicators as considered by the Directors. This information is therefore excluded from the Directors' report.

Independent auditors

Crowe U.K. LLP has indicated its willingness to be reappointed as independent auditors and a proposal for their reappointment will be made at the annual general meeting.

Statement of disclosure of information to auditors

Each person who was a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This report was approved by the Directors on 23rd September 2019.

C G Clarke
Chairman

Corporate governance statement

Although not required by NEX Rules, the Directors comply with the provisions of the QCA Guidelines to the extent that they believe it is appropriate in light of the size, stage of development and resources. At present, due to the size of the Group, audit and risk management issues will be addressed by the Board. As the Group grows, the Board will consider establishing an audit and risk management committee and will consider developing further policies and procedures which reflect the principles of good governance.

The Company has adopted, and will operate where applicable, a share dealing code for Directors and senior executives in compliance with the NEX Rules.

As required, the Company will comply with the provisions of the NEX Rules, as amended from time to time, which govern the operation and administration of the NEX market, including the arrangements for the admission of securities to NEX and ongoing requirements once admitted to trading.

The Board of Directors comprises two part-time non-executive directors. The Directors are of the opinion that the recommendations of the QCA Guidelines on corporate governance have been implemented to an appropriate level and as far as practicable. The Board, through the Chairman and Non-executive Directors, maintain regular contact with its advisers and public relations consultants in order to ensure that the Board develops an understanding of the views of major shareholders about the Company.

The Board meets at least four times a year. The board is responsible for formulating, reviewing and approving the Group's strategy, financial activities and operating performance. Day-to-day management is devolved to the managing director of the local subsidiary who is charged with consulting with the board on all significant financial and operational matters. Consequently, decisions are made promptly and following consultation among Directors concerned where necessary and appropriate.

All necessary information is supplied to the Directors on a timely basis to enable them to discharge their duties effectively, and all Directors have access to independent professional advice, at the Company's expense, as and when required.

The participation of both private and institutional investors at the Annual General Meeting is welcomed by the Board.

Board Committees

The Board established an audit committee, and a remuneration committee, with formally delegated duties and responsibilities.

Audit Committee

The key responsibilities of the Audit Committee are to:

• Monitor the integrity of the annual and interim financial statements, including focus on significant judgements and estimates used in the accounts;

• Review the effectiveness of financial and related internal controls and associated risk management (the full Board being responsible for oversight of strategic and operational risks); and

• Oversee the relationship with our external auditors, including: reviewing their plans and audit findings; ensuring their continuing independence; and appraising the effectiveness of their work prior to considering their reappointment.

The members of the Audit Committee, all of whom are independent Non-executive Directors, are:

• Giles Clarke
• Duncan Harvey (Chairman)
• Jeremy Sparrow

Remuneration Committee

The Remuneration Committee is responsible for determining and reviewing compensation arrangements for the Directors and the executive management. The Committee ensures that the remuneration practices of the Company move towards best practice and are linked with the interests of shareholders.

The members of the Remuneration Committee are:

• Giles Clarke
• Duncan Harvey (Chairman)
• Jeremy Sparrow

Opinion

We have audited the financial statements of The Barkby Group Plc (the "Parent Company") and its subsidiary (the "Group") for the seventeen-month period ended 31 May 2019, which comprise:

- the Group consolidated statement of comprehensive income for the seventeen-month period ended 31 May 2019;
- the Group and Parent Company statements of financial position as at 31 May 2019;
- the Group and Parent Company statements of cash flows for the periods then ended;
- the Group and Parent Company statements of changes in equity for the periods then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group and Parent Company financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 May 2019 and of the Group's profit for the periods then ended;
- the Group and Parent Company financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the Group financial statements as a whole to be £50,000, based on approximately 0.75% of Group's revenue in the period. We considered a revenue-based measure to be appropriate for overall materiality because the Group completed two substantial acquisitions and is in a development stage in the reporting period.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £2,500. Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

There are two components of the group, The Barkby Group Plc, which includes the holding company and the luxury hospitality services business, and Centurian Automotive Limited, which is the luxury car sales business. Both components are accounted centrally. The luxury hospitality business commenced in June 2018 and the luxury car sales business was acquired in February 2019. We conducted the audit as sole group auditor and obtained audit evidence for transactions from management.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Key audit matter	*How the scope of our audit addressed the key audit matter*
Acquisition of Turf to Table Limited and Centurian Automotive Limited Reason for assessment as significant During the year the Parent Company acquired the business and certain assets of Turf to Table Limited and also acquired Centurian Automotive Limited. There is a risk that the cost of investment has not been correctly capitalised and that the value of the investment at the year-end could be impaired. There is a risk that the acquisitions may not be accounted for appropriately and that the value of assets may be impaired.	Audit Response The acquisitions were considered business combinations by management and therefore IFRS 3 was applied. For acquisitions during the period, we reviewed the acquisition documentation. We challenged the methodology and assumptions underlying management's assessment of fair values and obtained the reports of independent valuation specialists who had prepared the valuation of the freehold property acquired. We assessed whether appropriate fair values have been attributed to the assets and liabilities acquired. We obtained recent management accounts and considered post year end trading to identify any potential downward turn in business which might suggest an impairment is needed. We also reviewed the related disclosures in the annual report for compliance with accounting standards and consistency with the results of our work, with no matters arising.
Revenue recognition Reason for assessment as significant Revenue is a significant figure in these financial statements and is generated from various streams. The accounting policy is documented in note 2.	Audit Response We designed procedures to test each different revenue stream and to consider whether the revenue recognition policy applied to the revenue stream was appropriate. Our testing in this area included examining individual revenue items on a sample basis and agreeing that revenue was appropriately recognized, including cut off procedures.
Stock held at Centurian Automotive Reason for assessment as significant The Group held stock of motor vehicles for sale of £4.1 million at the reporting date, which is material. Valuation of motor vehicle stock is based on the purchase cost of the vehicles acquired but there is a risk that stock may be overstated. There is also a risk that stock might not be included in the balance sheet at the year-end depending on the timing of relevant purchases.	Audit Response We obtained a year end stock report and compared it to purchase invoices. We designed procedures to test cut off. We checked that the purchase date was in the period and compared items sold after the reporting date to sale proceeds if the stock had been sold post year end. We performed net realisable value testing to confirm that stock is held at the lower of cost or net realisable value.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the strategic report and the Directors' Report for the financial year for which the financial statements are prepared, is consistent with the financial statements; and
- the strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Responsibilities of the Directors for the financial statements

As explained more fully in the directors' responsibilities statement set out in the Directors' Report the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Stephen Bullock (Senior Statutory Auditor)
for and on behalf of
Crowe U.K. LLP
Statutory Auditor
London
23rd September 2019

	Note	Group Period ended 31 May 2019	Group Year ended 31 December 2017
		£'000	£'000
Revenue	3	6,286	-
Cost of sales		(3,629)	-
Gross profit		**2,657**	**-**
Administrative expenses		(2,415)	(442)
Other operating income	4	81	656
Profit from operations		**323**	**214**
Finance expense	5	(188)	-
Gain on bargain purchase	6	251	-
Acquisition costs		(311)	-
Profit before tax		**75**	**214**
Tax expense	7	-	-
Profit from continuing operations and total comprehensive income attributable to owners of the Company		**75**	**214**
Earnings per share attributable to the ordinary equity holders of the Company during the period			
- Basic (p)	8	0.22	0.82
- Diluted (p)	8	0.17	0.70

The notes on pages 28 to 47 form part of these financial statements.

Consolidated Statement of Financial Position
for the Period Ended 31 May 2019

	Note	Group Period ended 31 May 2019 £'000	Group Year ended 31 December 2017 £'000
Assets			
Non-current assets			
Plant, property and equipment	**9**	1,012	-
Intangible assets	**6**	1,074	-
		2,086	**-**
Current assets			
Inventory	**10**	4,153	-
Trade receivables		19	-
Other receivables		15	13
Cash and cash equivalents		12	615
		4,199	**628**
Total assets		**6,285**	**628**
Liabilities			
Current liabilities			
Trade payables	**11**	496	50
Loans and borrowings	**12**	3,408	-
Deferred consideration and other payables		519	-
		4,423	**50**
Non-current liabilities			
Borrowings	**12**	373	-
Total liabilities		**4,796**	**50**
Issued capital & reserves attributable to the parent's owners			
Share capital	**13**	139	86
Share premium		6,347	5,564
Capital redemption reserve		3,078	3,078
Retained earnings		(8,075)	(8,150)
Total equity attributable to the parent's owners		**1,489**	**578**
Total equity & liabilities		**6,285**	**628**

The financial statements were approved and authorised for issue by the Directors and were signed on 23rd September 2019.

C G Clarke
Director

The notes on pages 28 to 47 form part of these financial statements.

Company Statement of Financial Position
for the Period Ended 31 May 2019

	Note	Company Period ended 31 May 2019 £'000	Company Year ended 31 December 2017 £'000
Assets			
Non-current assets			
Plant, property and equipment	**9**	987	-
Investments	**6**	314	-
Goodwill	**6**	1,074	-
		2,375	**-**
Current assets			
Inventory	**10**	54	-
Trade receivables		-	14
Other receivables		326	-
Cash and cash equivalents		12	615
		392	**629**
Total assets		**2,767**	**629**
Liabilities			
Current liabilities			
Trade payables		561	51
Loans and borrowings		51	-
Deferred consideration and other payables	**6**	519	-
		1,131	**51**
Non-current liabilities			
Borrowings	**12**	373	-
		373	**-**
Total liabilities		**1,504**	**51**
Issued capital and reserves attributable to owners of the parent			
Share capital	**13**	139	86
Share premium		6,347	5,564
Capital redemption reserve		3,078	3,078
Retained earnings		(8,301)	(8,150)
Total equity		**1,263**	**578**
Total equity & liabilities		**2,767**	**629**

The profit for the period dealt with in the accounts of the Company was £75,000 (2017: £214,000).

The financial statements were approved and authorised for issue by the Directors and were signed on 23rd September 2019.

C G Clarke
Director

The notes on pages 28 to 47 form part of these financial statements.

Consolidated Statement of Cash Flows
for the Period Ended 31 May 2019

	Final Group Period ended 31 May 2019	Final Group Year ended 31 December 2017
	£'000	**£'000**
Cash flows from operating activities		
Profit before Tax	75	214
Adjustments to reconcile loss before tax to operating cash flow:		
Depreciation of owned assets	87	-
Interest payable	183	-
Negative goodwill	(251)	-
Adjustment to deferred consideration	(81)	-
Loss on disposal of available for sale assets	-	71
Profit on disposal of investment	-	(656)
Share based payment expense	-	12
Cash used in operating activities before changes in working capital	**13**	**(359)**
Increase in inventory	(147)	-
Decrease in trade receivables	291	-
(Increase)/decrease in other receivables	(70)	(11)
Increase in trade payables	-	1
Net cash flows from operating activities	**87**	**(369)**
Investing activities		
Acquisition of property, plant & equipment	(126)	-
Proceeds on disposal of available for sale assets	-	585
Cash consideration for acquisition	(125)	-
Net cash from investing activities	**(251)**	**585**
Financing activities		
Loans received	(554)	-
Proceeds from issuance of shares	115	-
Net cash from financing activities	**(439)**	**-**
Net movement in cash and cash equivalents	**(603)**	**216**
Cash and cash equivalents at beginning of period	615	399
Cash and cash equivalents at end of year	**12**	**615**

The notes on pages 28 to 47 form part of these financial statements.

Company Statement of Cash Flows
for the Period Ended 31 May 2019

	Company Period ended 31 May 2019 £'000	Company Year ended 31 December 2017 £'000
Cash flows from operating activities		
Loss/(profit) before Tax	(151)	214
Adjustments to reconcile loss before tax to operating cash flow:		
Depreciation & amortisation	87	-
Interest expense	63	-
Adjustment to deferred consideration	(81)	-
Loss on disposal of available for sale assets	-	71
Profit on disposal of investment	-	(656)
Share based payment expense	-	12
Cash used in operating activities before changes in working capital	**(83)**	**(359)**
Increase in inventory	(54)	-
Decrease in trade receivables	67	-
(Increase)/decrease in other receivables	88	(11)
Increase in trade payables	-	1
Net cash flows from operating activities	**18**	**(369)**
Investing activities		
Acquisition of property, plant & equipment	(125)	-
Proceeds on sale of available for sale assets	-	585
Loan to subsidiary	(210)	-
Cash consideration for acquisition	(125)	-
Net cash from investing activities	**(460)**	**585**
Financing activities		
Loans received	(276)	-
Proceeds from issuance of shares	115	-
Net cash from financing activities	**(161)**	**-**
Net movement in cash and cash equivalents	**(603)**	**216**
Cash and cash equivalents at beginning of period	615	399
Movements in foreign exchange	-	-
Cash and cash equivalents at end of year	**12**	**615**

The notes on pages 28 to 47 form part of these financial statements.

Consolidated Statement of Changes in Equity
for the Period Ended 31 May 2019

	Share capital	Share premium	Capital redemption reserve	Retained earnings	Total equity attributable to owners
	£'000	£'000	£'000	£'000	£'000
At 1 January 2017	86	5,564	3,078	(8,364)	**364**
Comprehensive income for the year	-	-	-	214	**214**
At 31 December 2017	**86**	**5,564**	**3,078**	**(8,150)**	**578**
Comprehensive income for the period					
Comprehensive income for the period	-	-	-	75	**75**
Total comprehensive income for the year	**-**	**-**	**-**	**75**	**75**
Transactions with owners					
Share issues	**53**	**783**	**-**	**-**	**836**
Total transactions with owners	**53**	**783**	**-**	**-**	**836**
As at 31 May 2019	**139**	**6,347**	**3,078**	**(8,075)**	**1,489**

The notes on pages 28 to 47 form part of these financial statements.

Share capital: represents the aggregate nominal value of shares issued
Share premium: represents the aggregate amount received for the issue of shares in excess of nominal value less any permitted costs of share issue and similar deductions
Capital redemption reserve: represents the nominal value of deferred shares redeemed from the proceeds of as new issue off shares in excess of the nominal value of the new shares issue for the purpose of the redemption
Retained earnings: represents the aggregate accumulated profits less losses of the Group to the reporting date

Company Statement of Changes in Equity
for the Period Ended 31 May 2019

	Share capital	Share premium	Capital redemption reserve	Retained earnings	Total equity attributable to owners
	£'000	£'000	£'000	£'000	£'000
At 1 January 2017	86	5,564	3,078	(8,364)	**364**
Comprehensive income for the year	-	-	-	214	**214**
At 31 December 2017	**86**	**5,564**	**3,078**	**(8,150)**	**578**
Comprehensive Loss for the year					
Loss	-	-	-	(151)	**(151)**
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the year	**-**	**-**	**-**	**(151)**	**(151)**
Transactions with owners					
Share issues	**53**	**783**	**-**	**-**	**836**
Total transactions with owners	**53**	**783**	**-**	**-**	**836**
As at 31 May 2019	**139**	**6,347**	**3,078**	**(8,301)**	**1,263**

The notes on pages 28 to 47 form part of these financial statements.

Share capital: represents the aggregate nominal value of shares issued
Share premium: represents the aggregate amount received for the issue of shares in excess of nominal value less any permitted costs of share issue and similar deductions
Capital redemption reserve: represents the nominal value of deferred shares redeemed from the proceeds of as new issue off shares in excess of the nominal value of the new shares issue for the purpose of the redemption
Retained earnings: represents the aggregate accumulated profits less losses of the Company to the reporting date

1. Nature of Operations

These financial statements are for The Barkby Group Plc ("Barkby" or the "Company") and it subsidiary ("Centurian Automotive", together, the "Group"). The Company has its registered office at Lakeside, Fountain Lane, St Mellons, CF3 0FB and is domiciled in England and Wales and incorporated under the Companies Act 2006. The nature of the Group's operations and its principal activities are those of a consumer-focused luxury service provider. The Group's principal place of business is the United Kingdom.

On 25 June 2018 the company changes its name from Sovereign Mines of Africa PLC to The Barkby Group PLC.

2. Basis of Accounting

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU issued by the International Accounting Standards Board, under the historical cost convention.

The consolidated financial statements are presented in British Pounds Sterling (£), which is also the functional currency of the Company and Group and is the preferred currency of the owners of the Company. Amounts are rounded to the nearest thousand (£'000), unless otherwise stated.

The preparation of consolidated financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's and Group's accounting policies (see below pages 31 and 32).

As provided by section 408 of the 2006 Act, no statement of comprehensive income is presented in respect of the Company. The Company's loss for the year is disclosed on the Company balance sheet.

New accounting standards in issue and effective

For the period ended 31 May 2019, a number of standards and interpretations were in issue and were effective for the first time.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 (effective for financial periods beginning on or after 1 January 2018) established a new five-step model that will apply revenue arising from contracts with customers. It replaces existing revenue guidance, including IAS 18 Revenue and IAS 11 Construction contracts. IFRS 15 is based on the principle that revenue is recognised when control of a good or service transfers to the customer. When applying the new standard, the entity needs to assess whether the revenue will be recognised over time or at a point in time. The effect of variable considerations and the time value of money on the transaction price need to be assessed. In addition, IFRS 15 requires quantitative and qualitative disclosures about the entity's contracts with customers, performance obligations in the contracts and significant judgements to be made. The Group has adopting the new standard on the required effective date using the full retrospective method.

IFRS 15 Revenue from Contracts with Customers (continued)

For the supplying of products, short term service contracts and long-term projects, the management identifies mostly one performance obligation in a contract under the new standard and revenue is typically recognised at a point in time when transfer of control occurs.

IFRS 9 Financial instruments

IFRS 9 Financial Instruments replaces the existing guidance in IAS 39 Financial Instruments - Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including new general hedge accounting requirements and a new expected credit loss model for calculating impairment on financial assets. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The group have considered the expected credit loss model and following a review of its trade receivables at 31 May 2019 do not consider a provision required given the ageing of this balance.

IFRS 2 Share-based Payments

Amendments to IFRS 2 Share-Based Payments became effective for periods beginning on or after 1 January 2018. The amendments are intended to eliminate the diversity in the classification and measurement of particular share-based payment transactions (accounting for cash-settled share-based payment transactions from cash-settled to equity-settled). The amendments have no impact on the financial statements.

The adoption of these standards and interpretations, or any of the amendments made to the existing standards as a result of the annual improvements cycle, did not have a material effect on the financial statements of the year of initial application.

Accounting standards in issue but not yet effective

At the date of authorisation of these financial statements, a number of standards and interpretations were in issue but not yet effective. The Directors do not anticipate that the adoption of these standards and interpretations, or any of the amendments made to the existing standards as a result of the annual improvements cycle, will have a material effect on the financial statements of the year of initial application.

IFRS 16 Leases

IFRS 16 (effective for financial periods beginning on or after 1 January 2019) changes the accounting for operating leases by requiring companies to recognise lease assets and lease liabilities in the balance sheet, initially measured at the present value of unavoidable future lease payments, and to depreciate those assets and interest on the lease liabilities in the statement of income over the lease term. Whether a contract contains a lease is determined on the basis of whether the customer has the right to control use of an identified asset for a period of time. When adopting IFRS 16, the portion of the lease payments currently included in other operating expenses in the consolidated statement of income will be transferred to depreciations and amortisation and the interest portion to financial expenses. The standard will primarily affect the accounting for the Group's operating lease, increasing the balance sheet totals and leading to some changes in key figures. At the reporting date, the Group has one non-cancellable operating lease with a net present value of £900,000 (see note 18). The Group is assessing the impact of IFRS 16.

Basis of Consolidation

The Group consolidates the financial information of the Company, its subsidiary and the hospitality assets and liabilities drawn up to 31 May each year. The subsidiary is consolidated from the date of its acquisition, being the date on which the Group obtains control, and continues to be consolidated until the date that such control ceases. The acquisition of the hospitality assets and liabilities are treated as a business combination in line with IFRS and are consolidated as though there were a fully owned subsidiary.

The Company has control over a subsidiary if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The financial information of the subsidiary and hospitality assets and liabilities are prepared for the same reporting year as the parent company, using consistent accounting policies and is consolidated using the acquisition method. Intra-group balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Going concern

The Directors consider the going concern basis of preparation to be appropriate in preparing the financial statements. In considering the appropriateness of this basis of preparation, the Directors have reviewed the Group's working capital forecasts for a minimum of 12 months from the date of the approval of this financial information. Based on their consideration the Directors have reasonable expectation that the Group has adequate resources to continue for the foreseeable future and that carrying values of intangible assets are supported. Thus, they continue to adopt the going concern basis of accounting in preparing this financial information.

The Group will consider further acquisitions and is likely therefore to require further funding to finance the development of its business plan. The Directors are confident that the Group will be able to raise such funds as may be required from time to time for such requirements from investors and other sources of growth finance.

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

There were no changes in the Company's approach to capital management during the period.

The Company is not subject to externally imposed capital requirements.

The Company's objectives when maintaining capital are to safeguard the entity's ability to continue as a going concern.

The Company sets the amount of capital it requires in proportion to risk. The Company manages its capital structure and makes adjustment to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Revenue recognition

For the sale of bar, food and hotel rooms, the Directors have identified a single performance obligation; the delivery of the goods or access to the hotel room. Revenue recognised for these items is recognised at the time of sale and is the fair value of sales after deducting discounts and sales-based taxes.

For luxury motor vehicle sales, the Directors have identified the single performance obligation of the transfer of legal ownership of the motor vehicle and revenue is recognised at the time the legal transfer has been completed at the fair value of the sale after deducting discounts and taxes.

Share-based payments

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

Taxation

The charge for current tax is based on the taxable income for the period. The taxable result for the period differs from the result as reported in the statement of comprehensive income because it excludes items which are not assessable or disallowed and it further excludes items that are taxable and deductible in other years. It is calculated using tax rates that have been enacted or substantially enacted by the statement of financial position date.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the audited consolidated statement of financial position differs from its tax base.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Critical accounting estimates and judgements

The Company makes certain estimates and assumptions regarding the future. Judgements, estimates and assumptions are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The judgements, estimates and assumptions 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.

Judgements

The Directors have considered the criteria of IFRS 3 regarding the impairment of goodwill and intangible assets and have decided based on this assessment that there is no basis to impair their carrying value at this time.

Due to the control which the Company holds over its subsidiary and the hospitality assets and liabilities the Company's continued support of its subsidiary, the Directors consider that the intercompany receivable owed by Centurian Automotive to the Company is fully recoverable and it has therefore not been impaired at the year end.

Financial liabilities

The Company classifies its financial liabilities into one category: Other financial liabilities

Other financial liabilities include the other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Financial instruments - risk management

The Company is exposed through its operations to liquidity risk.

Liquidity risk arises from the Company's management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due.

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments.

Principal financial instruments

The principal financial instrument used by the Company, from which financial instrument risk arises, is third party borrowings.

3. Segment information

IFRS 8 requires that operating segments be identified on the basis of internal reporting and decision-making. Barkby's highest operative decision maker is the Board of Directors. The Directors assess the Group's profitability, financial position and development as a whole as part of the monthly management accounts. Barkby group has two operating segments, luxury hospitality and luxury car sales, which are supported by the head office function.

The following table shows the Group's revenue and results for the year under review analysed by operating segment. Segment operating profit represents the trading profit after depreciation, but before tax.

3. Segment information (continued)

The table below shows turnover, depreciation, operating profit, net interest, profit before tax and profit after tax for each reporting segment at 31 May 2019.

	Turnover	Depre-ciation	Operating Profit/(loss)	Net Interest	Profit/(loss) Before tax	Taxation	Profit After tax
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Luxury Hospitality	3,557	(86)	273	(63)	210	-	210
Luxury Car Sales	2,729	(1)	98	(125)	(25)	-	(25)
Holding Company	-	-	(361)	-	(361)	-	(361)
Total	**6,286**	**(87)**	**10**	**(188)**	**(176)**	**-**	**(176)**
Gain on bargain purchase	-	-	-	-	-	-	251
Total profit after tax	-	-	-	-	-	-	**75**

The table below shows turnover, operating profit, net profit and profit after tax for each reporting segment at 31 May 2019.

	Non-Current Assets	Current Assets	Total Assets	Current Liabilities	Non-Current Liabilities	Total Liabilities	Net Operating Assets
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Luxury Hospitality	987	392	1,379	(607)	(373)	(979)	400
Luxury Car Sales	25	4,118	4,143	(3,394)	-	(3,394)	749
Holding Company	-	-	-	(422)	-	(422)	(422)
Total	1,012	4,510	5,522	(4,423)	(373)	(4,796)	727
Goodwill recognised on consolidation							1,073
Net Assets							1,489

No segmental information has been provided for the comparative period as there was only one operating segment during the year end 31 December 2017 which was that of a cash shell.

4. Other operating income

Other operating income for the period ended 31 May 2019 consisted of the following:

	2019 £'000	2017 £'000
Deferred consideration not payable	81	-
Profit on disposal of held for sales assets and investments	-	656
Other operating income	**81**	**656**

Deferred consideration not payable relates to the write off of the deferred consideration not paid as the company did not meet the requirements in year 1 of the agreement.

5. Finance expenses

The table below summaries the Company's finance expenses for the period:

	2019 £'000	2017 £'000
Financing of motor vehicles held for sale	117	-
Bank charges	3	-
Interest payable	68	-
	188	-

6. Acquisitions

The business and assets of Turf to Table Limited

On 25th June 2018, the Company acquired the assets and liabilities of Turf to Table Limited. The business acquired the operations of three premium gastro pubs. IFRS3 has been applied and the acquisition accounted for as a business combination. The following tables summarise the amounts for the consideration paid for the assets and liabilities, the fair value of the assets and liabilities and the goodwill recognised at the acquisition date.

Turf to Table

	2019
Consideration	**£'000**
Shares issued	520
Cash consideration	125
Fair value of deferred consideration	251
Total consideration	**896**

	2019
Fair value of assets and liabilities acquired	**£'000**
Fixed assets acquired	948
Other receivables	169
Trade and other payables	(658)
Borrowings	(637)
Total liabilities	(1,295)
Fair value of net assets acquired	**(178)**
Goodwill on acquisition	**1,074**

Contingent consideration

As part of the agreement with the previous owner of Turf to Table Limited, a contingent consideration has been agreed. There will be additional cash payments to the previous owners of Turf to Table Limited of a maximum amount of £560,000, payable as up to £180,000 each year if operating profits as defined by the agreement are in excess of required profit levels.

At the acquisition date, the fair value of the contingent consideration was estimated to be £251,000.

As at 31 May 2019, the key performance indicators show that it is probable that the target will be achieved due to expected future trade. As a result of this, a re-measurement of the deferred consideration has been recognised through profit and loss. The fair value has been determined using a discounted cash flow method.

Centurian Automotive Limited

On 14th February 2019, the Company acquired the entire share capital of Centurian Automotive Limited. The following tables summarise the preliminary amounts for the consideration paid for the company, the fair value of the assets and liabilities and the goodwill recognised at the acquisition date.

Consideration	**2019 £'000**
Shares issued	201
Fair value of deferred consideration	113
Total consideration	**314**

Fair value of assets and liabilities acquired	**2019 £'000**
Fixtures & Fittings	25
Stock	3,695
Trade & other receivables	454
Total assets	4,174
Trade and other payables	96
Borrowings	3,513
Total liabilities	3,609
Fair value of net assets acquired	**565**
Negative goodwill on acquisition (written off to income statement)	**(251)**

The contributions to revenues and profit before tax for the acquisitions in the period since acquisition are set out in segment analysis in note 3.

Impairment testing of goodwill

The Group performs annual impairment testing of goodwill. Impairment of goodwill is also tested when changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount from the cash generating unit ("CGU") is determined based on a value in use calculation. The calculation is made on a discounted cash flow method basis based on the utilisation of the existing assets in their current condition with normal maintenance capital expenditure.

Contingent consideration

As part of the agreement with the previous owner of Centurian Automotive, a contingent consideration has been agreed. There will be additional cash payments to the previous owners of Centurian Automotive of a maximum amount of £251,000, will be satisfied by the issue to the Vendors of up to 5,270,520 new ordinary shares of 0.33p in the Company ("Deferred Consideration Shares") at 4.775p per share over three years based on performance targets defined by the agreement.

At the acquisition date, the fair value of the contingent consideration was estimated to be £113,000.

As at 31 May 2019, the key performance indicators show that it is probable that the target will be achieved due to expected future trade. As a result of this, a re-measurement of the deferred consideration has been recognised through profit and loss. The fair value has been determined using a discounted cash flow method.

7. Taxation

A reconciliation of the Group's tax charge is shown below:

	2019 £'000	2017 £'000
Profit on ordinary activities before tax	75	214
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 19%)	14	41
Effects of:		
Brought forward loss relief	(14)	(41)
Total tax charge for the period	-	-

A deferred tax asset has not been recognised in respect of deductible temporary differences relating to losses carried forward at the year-end, as there is insufficient evidence that taxable profits will be available in the foreseeable future against which the deductible temporary difference can be utilised.

8. Earnings per share

The Group's earnings earning per share for the period is calculated as follows:

	2019 £'000	2017 £'000
Profit for the period	75	214

	2019	2017
Weighted average number of shares (basic)	34,768,263	26,086,638
Weighted average number of shares (diluted)	43,192,503	30,632,093
Profit per share - basic (p)	0.22	0.82
Profit per share - diluted (p)	0.17	0.70

In accordance with IAS33, the weighted average number of shares in issue has been adjusted retrospectively to present the share capital as though the 1:33 share consolidation effected on 25 June 2018 had been affected from 1 January 2017.

9. Plant, property and equipment

	Freehold Property £'000	Fixtures & Fittings £'000	Computer equipment £'000	Kitchen equipment £'000	Total £'000
Cost or valuation					
Brought forward at 1 December	-	-	-	-	-
Additions on acquisition	672	152	6	143	973
Additions post acquisition	-	2	60	64	126
	672	154	66	207	1,099
Depreciation					
Brought forward at 1 December	-	-	-	-	-
Charge for the period	-	31	14	42	87
At 31 May 2019	-	31	14	42	87
Net book value					
At 1 December 2017	-	-	-	-	-
At 31 May 2019	672	123	53	165	1,012

Included within fixtures and fittings is an amount totalling £25,000 in respect of the subsidiary undertaking.

The following property, plant and equipment have been pledged to licenced banks as security for banking facilities granted to The Barkby Group PLC

	2019 £'000	2017 £'000
At carrying amount: -		
Freehold Land and Buildings	672	-

10. Inventory

The Group's inventory balance consisted of the following at the period end:

	2019 £'000	2017 £'000
Motor vehicles held for sale	4,099	-
Food and drink	54	-
Total inventory	4,153	-

11. Trade payables

The table below sets out the Group's trade payables at the period end:

	2019 £'000	2017 £'000
Current	183	50
Due in 30 days	104	-
Due in 60 days	139	-
Due in 90 days	13	-
Due in >90 days	57	-
Total trade payables	496	50

12. Borrowings

The table below sets out the Group's borrowings at the period end:

	Term	Interest Rate	2019 £'000	2017 £'000
Payable after 1 year:				
Mortgage secured on property	5 years	2.5% p.a. over base	336	-
Finance leases on kitchen equipment	3 years	20%	37	-
			373	-
Payable within 1 year:				
Financing of motor vehicles	150 days	Varies	2,935	-
Loan from landlord	3 years	4.25% p.a.	100	
Total borrowings			**3,408**	**-**
Lender:				
BCA	150 days	10% per month	1,986	
Motonovo	150 days	6% per month	239	-
Next Gear	150 days	10% per month	710	-
Total financing of motor vehicles			**2,935**	**-**

Motor vehicle financing consists entirely of loans that are secured on individual motor vehicles recognised within the Group's inventory balance (see note 10).

Below is a reconciliation of opening and closing borrowings:

	At 1 January 2017	Subsidiary loans at acquisition date	Repayments in year	Interest charged	At 31 May 2019
Borrowing	**-**	**4,150**	**(554)**	**185**	**3,781**

13. Share capital

The table below sets out the Group's share capital movements for the period:

	Ordinary Shares	Ordinary Shares
	No.	£
At 31 December 2016 & 2017 - ordinary shares of 0.01p each	**860,859,050**	**86,086**
Share consolidation - 25 June 2018	(834,772,412)	-
Issue of consideration shares – 25 June 2018	5,777,778	19,067
Placing – 25 June 2018	6,083,335	20,075
Issue of consideration shares – 14 February 2019	4,216,416	13,914
Balance at 31 May 2019 - ordinary shares at 0.33p each	**42,164,167**	**139,142**

On 25 June 2018 the Company's shares were consolidated by the issue of one new ordinary share of 0.33p for every 33 existing ordinary shares of 0.01p.

Also, on 25 June 2018 the Company issued 5,777,778 new ordinary shares as part of the consideration for the acquisition of the business and assets of Turf to Table Limited.

Also, on 25 June 2018 the Company placed 6,083,335 new ordinary shares at 9p per share.

On 14 February 2019 the Company issued 4,216,416 new ordinary shares as part of the consideration for the acquisition of Centurion Automotive Limited

13. Share capital (continued)

The Company has an unapproved share option scheme under which share options to subscribe for the Company's shares have been granted to two of the Directors. The vesting condition is the number of years' service. The share options and warrants currently in existence were granted and are exercisable as follows:

	Exercise price (pence)	Number of shares	Vesting conditions	Contractual life Remaining 2019 (years)	Contractual life Remaining 2017 (years)
Share options:					
18 November 2013	3.00	3,000,000	Between 18 November 2013 and 18 November 2019	0.4	0.5
Share warrants:					
30 December 2015	0.10	125,000,000	Upon execution of a reverse takeover by the Company	1.6	3
30 December 2015	0.10	125,000,000	Between 30 December 2015 and 30 December 2020	1.6	3
18 July 2016	0.23	11,000,000	Between 28 July 2016 and 29 July 2021	2.2	3.6
18 July 2016	0.23	11,000,000	Upon execution of a reverse takeover by the Company	1.6	3

The number of options exercisable at the period end was 3,000,000 (2017: 6,000,000).

14. Employee benefit expenses

The Group's employee benefit expenses for the period are set out in the table below:

	2019 £'000	2017 £'000
Wages and salaries	1,619	-
Pension costs	16	-
Other personnel costs	32	12
Total employee benefit costs	1,667	12

The average number of staff employed by the Group during the period was 54.4 (2017: 2). The average number of employees in the parent company is 49.4.

15. Financial instruments

The table below sets out the Group's financial instruments by measurement category at the period end:

	Measured at amortised cost £'000	Fair value through income statement £'000
Current financial assets:		
Trade receivables	19	-
Cash and cash equivalents	-	12
Carrying amounts of financial assets	**19**	**12**
Non-current liabilities		
Interest bearing debt	373	-
Current financial assets:		
Interest bearing debt (see note 12)	3,408	-
Trade payables (see note 11)	496	-
Other payables	372	-
Carrying amounts of financial liabilities	**4,649**	**-**

16. Related party transactions

Emma Dark, Finance Director of the Company, provided consultancy, bookkeeping and payroll services to the Company during the period and her company was paid £58,000 (2017: £nil). There were no fees outstanding at the year end.

The Directors are considered to be the key management of the Group and their remuneration is disclosed in note 19.

17. Operating profit disclosures

The Company and Group's operating profit is stated after charging the following:

	2019 £'000	2017 £'000
Share based payments	-	12
Lease payments	18	-
Fees payable to the Company's auditor for:		
Audit of the financial statements of the Company and its subsidiary pursuant to legislation	35	8
Transaction support services	73	-
Taxation services	11	-
Total auditor's remuneration	119	8

18. Operating lease commitments

The Group has one operating lease as defined under IAS 17: an operating agreement for The George at Burpham public house, near Arundel in West Sussex, which runs for 10 years starting the 30th November 2018. The minimum value of contractual payments under the operating agreement is £36,000 in the first year, £144,000 in years 2 to 5 and £180,000 in years 5 to 10.

19. Directors' remuneration

The Company and Group paid the following remuneration to the Directors during the period:

	2019 £'000	2017 £'000
Remuneration	351	-
Defined contribution pension contributions	16	-
Share based payments	-	12
Health care and other benefits	3	-
Total Directors' remuneration	370	12

20. Subsidiaries

On 14th February 2019, the Company acquired the entire share capital of Centurian Automotive Limited, its sole subsidiary. Centurian Automotive is registered in England and Wales under the incorporation number 08049326 with the registered address: Lakeside Fountain Lane, St. Mellons, Cardiff, Wales, CF3 0FB

21. Financial risks

Management considers the following to be the principal financial risks and uncertainties relating to the Group:

Liquidity risk
The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and by investing cash assets safely and profitably.

External funding facilities are managed to ensure that both short-term and longer-term funding is available to provide short-term flexibility whilst providing sufficient funding to the working capital requirements of its subsidiary. The group manage the risk of refinancing by communicating with its lenders as soon as possible to ensure that facilities are secured, and the ongoing financing is available.

The group manages its interest rate risk by agreeing interest rates in advance of lending and ensuring that the interest rate secured is in line with the group's forecast. The group review interest rates regularly to ensure any adverse changes in interest rates would not disrupt the business.

Below is a summary of the contractual undiscounted cash flows as at 31 May 2019:

	Less than 1 year £000's	Between 1 – 2 years £000's	Between 2 – 5 years £000's	Total £000's
Borrowings	2,954	20	397	3,371
Finance lease liabilities	9	9	19	37
Trade and other payables	496	-	-	496
Total	**3,459**	**29**	**416**	**3,904**

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Barkby's exposure to interest rate risk arises mainly from interest-bearing financial liabilities. Barkby's policy is to obtain the most favourable interest rates available.

21. Financial risks (continued)

Credit Risk
Barkby's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. Barkby manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), Barkby minimises credit risk by taking payments for the delivery of the majority of goods and services provided at the point of delivery or in advance as is usual in the hospitality industry.

Barkby establishes an allowance for impairment that represents its estimate of future losses expected in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for Barkby's of similar assets in respect of losses that are likely to be expected but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

Credit risk concentration profile
Barkby does not have any major concentration of credit risk related to any individual customer or counterparty.

Exposure to credit risk
As Barkby does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets at the end of the reporting periods.

Capital Risk Management
Barkby manages its capital to ensure that entities within Barkby will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, Barkby may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

Barkby manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory. The debt-to-equity ratio is calculated as total borrowings from financial institutions divided by total equity. The debt-to equity ratio at 31 May 2019 is 1.92.

There was no change in Barkby's approach to capital management during the financial period under review