4 September 2018

Filta Group Holdings plc
("Filta" or the "Company" or the "Group")

Interim Results for the 6 month period ended 30 June 2018

Filta Group Holdings plc (AIM: FLTA), a provider of fryer management and other services to commercial kitchens, is pleased to announce its unaudited Interim Results for the 6 month period ended 30 June 2018.

Financial Highlights – Continuing Operations

- Revenues up 15% (22% in constant currency) to £6.6 million (H1 2017: £5.7 million)
- Gross profit grew 20% (27% in constant currency) to £3.4 million, and gross profit margin improved to 51% (H1 2017: £49%)
- Profit before tax increased 13% (22% in constant currency) to £1.0 million (2017: £0.9 million)
- Adjusted EBITDA* up 24% to £1.3 million (H1 2017: £1.0 million)
- Deferred income balance increased by £0.2 million
- Basic EPS 3.00p (H1 2017: 2.41p) up 24%
- Interim dividend 0.72p per ordinary share (2017: 0.65p)

Operational Highlights

- 10 new Franchise sales in the period resulting in a period end franchise count of 192
- 28 new Mobile Filtration Units ("MFU's") added in the period increasing the total to 422
- 9% increase in FiltaSeal volumes to 16,225 seals fitted
- FiltaGMG integration complete, with a 25% increase to revenues over the pre-acquisition run rate
- Filta Canada continues to expand with two new franchises added in H1 bringing the total franchise count in Canada to three with an MFU count of five
- Following the acquisition of the master franchisor in Germany, two new franchises were added, bringing the total number of franchises to seven.

***Adjusted EBITDA represents earnings before interest, taxes, depreciation, amortisation, acquisition related costs and share based payment expense**

Jason Sayers, CEO of Filta, commented:

"We have successfully completed a number of strategic initiatives during the first half of the year, including the disposal of our lower margin refrigeration business, the integration of GMG and the changed structure of our European activities, all of which will support higher margins and greater recurring revenue going forward.

"We have enjoyed strong trading through the Group despite a weaker US dollar and have been particularly encouraged by the contribution now coming from GMG, as well as the strong response to our initiative in mainland Europe. We continue to seek further growth opportunities through both acquisitions and the development of our existing businesses over the short, medium and long term. "

For further information please contact:

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Chief Executive's and Chairman's Statement

Overview

We are pleased to report that strong performances across all our business platforms have resulted in profit before tax for the half year ended 30 June 2018 of £1.0 million (H1 2017, Continuing business: £0.9 million, including Discontinued business: £0.95 million) and revenues up 15% (22% on a constant currency basis) at £6.6 million (H1 2017: Continuing business £5.7 million, including Discontinued business £6.6 million). These discontinued revenues have been replaced through acquisition and organic growth with a consequential improvement in margins, resulting in an increase in overall profitability, the benefits of which will be seen more strongly in the second half of the year.

Although we have seen modest growth in costs, net of the impact of professional fees and higher amortisation related to acquisition activity, this targeted spending has allowed us to deliver a profit before tax in line with expectations and supports future revenue growth. We anticipate a further small increase to overheads in the second half but expect that this will likewise be mitigated by further margin improvements and will enable us to deliver further revenue growth.

We have also experienced growth in our core deferred income balance (the amounts relating to territory fees which will be released over 10 years in North America and, 5 years in the UK and Europe) of £0.2 million as a result of £0.4 million being added and £0.2 million being utilised during the period.

Cash, net of borrowings, was £2.4 million at 30 June 2018 (31 December 2017: £3.1 million). The Group generated £0.8 million of cash from operations, before cash taxes, during the period. This was despite an unfavourable working capital movement of £0.4 million due primarily to the payment of our annual national account rebates in the first quarter, costs associated with the sale of Filta Refrigeration and spending related to the establishment of Filta Europe. The principal cash outflow in the period was the payment of £0.8 million of US corporation tax being £0.6 million in respect of the 2017 tax year and £0.2 million paid on account for the current year (thereby reducing the final tax payment to be made in 2019). This, together with net capital investments of £0.2 million and the final dividend payment for 2017 of £0.2 million, resulted in the reduction in net cash in the period.

Operating Review

The Group has enjoyed strong trading in each of its operating divisions and territories.

Franchise Development

Ten new franchise agreements, 6 in the US, 2 in Canada and 2 in Europe, and five franchise resales, 2 in the US and 3 in the UK, were achieved in H1. We now have 192 franchisees throughout our global network operating 422 MFU's, up 28 during the current period and by 51 since the same time last year. We are pleased to have added two franchises in each of our newer operating territories, Canada and, post-acquisition, in Germany. We continue to see strong interest from potential franchisees in both North America and Europe, and we expect that several more appointments will be made in 2018.

The buy-in of the master franchise in Germany is the first step in our strategy to expand the fryer management franchise business in Europe, by replacing the master franchise structure with a multi-unit franchise model which has been highly effective in the USA over the last 15 years. This provides more direct influence over the marketing and sale of FiltaFry franchises and enables the Group to provide "hands-on" assistance with a central sales and support office to drive the growth of each franchisee within the network.

Fryer Management (FiltaFry)

Royalties and other revenue, most of which is recurring in nature, from our fryer management services increased by 8% over the same period last year to £4.3 million (2017: £4.0 million). Fryer management revenue in the US, which accounts for just over 80% of the Group's fryer management revenue grew by 15% in local currency. The addition of 28 MFU's during the period will ensure further revenue growth over the second half and into future periods. We also upgraded an additional 12 U.S. franchises to 6,000-gallon (25 metric tonnes) waste oil storage sites, taking the total number of such sites to 52.

Commercial Refrigeration Seals (FiltaSeal)
Our commercial seal operation, FiltaSeal, has experienced increasing business from existing clients as well as a major client win resulting in a 9% uplift in the number of seals fitted in the first half (16,225) over the same period last year (14,869) and generating revenue of £0.8 million, also up by 9%.

Drains and Grease Management (FiltaGMG)
We have enjoyed growing demand for our drains and grease management service as customers are forced to comply with ever changing regulations and are attracted by the regular and reliable servicing, which adds to kitchen efficiency. Last year's acquisition of GMG has broadened the scope of our offering, by adding grease trap maintenance, and has increased our customer base, allowing us the opportunity to cross-sell the full range of Filta services. Revenue for the half year was £0.7 million, but more importantly, we experienced 46% growth between the first and second quarter of 2018 and whilst we don't anticipate this rate of growth every quarter it reflects a growing pipeline of business and fully justifies the decision to move into this more specialist activity.

Infrastructure
The Company has continued to invest in and expand its customer support capacity by adding to the marketing, information technology and sales support teams. We have also increased marketing spend to accelerate growth across the business.

New field service scheduling software, supporting our FiltaSeal and FiltaGMG businesses, has been implemented and is fully operational. Additionally, we have rolled out a new operations module for our US franchise network. This is fully integrated with our Symphony CRM software and has provided a significant improvement in automation and visibility to real time data. Both investments provide improved efficiencies while affording us the requisite scale to support future growth.

Dividends
In light of the Group's first half performance, and our continued confidence entering the second half of the year, the Board has declared an interim dividend of 0.72 pence per share (2017: 0.65 pence), an increase of 11%. This will be paid on 28 September 2018 to shareholders on the register at the close of business on 14 September 2018.

Outlook
We have delivered increased revenues and improved margins from our businesses in the first half of the year and, with the enlarged MFU base, the strong pipeline of potential franchisees and the increased business levels being enjoyed by our Company-owned activities, FiltaSeal and FiltaGMG, the Board is confident of further progress in the second half of the year. The currency environment appears less challenging in the second half of the year which has begun with a stronger US dollar. Should this continue it would be an encouraging sign supporting higher revenue and profit growth for the second half. We have already made the necessary investment in our infrastructure to support the revenue growth and should therefore experience margin improvements on the incremental revenue.

We continue to seek infill acquisitions which can broaden our offering and customer base in order to support the organic growth being achieved by our core businesses.

Tim Worlledge
Non-executive Chairman
3 September 2018

Jason Sayers
Chief Executive Officer
3 September 2018

Filta Group Holdings plc

Condensed consolidated statement of comprehensive income

for the six months ended 30 June 2018

	Notes	Unaudited 6 months ended 30 June 2018 £	Unaudited 6 months ended 30 June 2017 £	Audited Year ended 31 December 2017 £
Continuing operations				
Revenue	3	6,566,821	5,694,547	11,547,299
Cost of sales		(3,200,193)	(2,891,005)	(5,870,449)
Gross profit		3,366,628	2,803,542	5,676,850
Other income		8,305	4,400	38,377
Distribution costs		(58,894)	(59,969)	(124,690)
Administrative expenses		(2,283,643)	(1,824,251)	(3,891,858)
Operating profit		**1,032,396**	**923,722**	**1,698,679**
Analysed as:				
Adjusted EBITDA		1,279,283	1,028,187	2,115,953
Acquisition of subsidiaries costs		(64,677)	(29,390)	(120,280)
Depreciation and amortisation		(150,516)	(57,388)	(209,912)
Share based payments	6	(31,694)	(17,687)	(87,082)
		1,032,396	923,722	1,698,679
Finance costs		(19,510)	(27,529)	(90,952)
Profit before tax		1,012,886	896,193	1,607,727
Income tax expense		(198,458)	(246,518)	(824,268)
Profit from continuing operations		814,428	649,675	783,459
Discontinued operations				
Profit from discontinued operations		-	49,427	32,858
Net profit attributable to owners		**814,428**	**699,102**	**816,317**
Other comprehensive Income				
Exchange differences on translation of foreign operations		(4,855)	143,433	(94,174)
Total other comprehensive income		(4,855)	143,433	(94,174)
Profit and total comprehensive income		809,573	842,535	722,143
Earnings per share				
From continuing operations				
- Basic (pence)	2	**3.00**	**2.41**	**2.90**
- Diluted (pence)	2	**2.98**	**2.38**	**2.87**
From continuing and discontinued operations				
- Basic (pence)	2	**3.00**	**2.59**	**3.03**
- Diluted (pence)	2	**2.98**	**2.56**	**2.99**

Filta Group Holdings plc
Condensed consolidated statement of financial position
As at 30 June 2018

	Notes	Unaudited 30 June 2018 £	Audited 31 December 2017 £
Non-current assets			
Property, plant and equipment		1,229,668	1,216,388
Deferred tax assets		701,490	652,131
Intangible assets		585,695	484,821
Goodwill	7	784,452	631,380
Deposits		2,398	2,344
Trade receivables	4	384,376	302,163
		3,688,079	3,289,227
Current assets			
Trade and other receivables	4	2,915,969	2,506,060
Inventories		403,042	437,716
Cash and cash equivalents		3,298,151	4,031,174
		6,617,162	6,974,950
Assets classified as held for sale		-	74,372
Total assets		**10,305,241**	**10,338,549**
Current liabilities			
Trade and other payables	5	1,415,690	2,142,906
Borrowings		107,687	107,786
Deferred income		623,686	532,682
		2,147,063	2,783,374
Non-current liabilities			
Deferred tax liability		129,322	95,185
Borrowings		784,452	931,765
Deferred income		2,515,848	2,404,645
		3,429,622	3,431,595
Non-current liabilities classified as held for sale		-	66,425
Total liabilities		**5,576,685**	**6,281,394**
Equity			
Share capital		2,714,363	2,713,266
Share premium		153,385	131,400
Retained profits		2,500,961	1,862,967
Translation reserve		(359,432)	(354,577)
Other reserves	2	(280,721)	(295,901)
Total equity		4,728,556	4,057,155
Total equity and liabilities		**10,305,241**	**10,338,549**

Filta Group Holdings plc
Condensed consolidated statement of changes in equity
for the six months ended 30 June 2018

	Share Capital £	Share Premium £	Other Reserves £	Merger Reserve £	Foreign Exchange Reserve £	Retained Earnings £	Total E £
Balance at 1 January 2018	2,713,266	131,400	43,786	(339,687)	(354,577)	1,862,967	4,057,155
Profit for the year						814,428	814,428
Translation differences	-	-	-	-	(4,855)	-	(4,855)
Total comprehensive income					(4,855)	814,428	809,573
Dividends paid						(176,434)	(176,434)
Issue of share capital related to business combination	1,097	21,985	-	-	-	-	23,082
Shares based payments	-	-	15,180	-	-	-	15,180
Balance at 30 June 2018	**2,714,363**	**153,385**	**58,966**	**(339,687)**	**(359,432)**	**2,500,961**	**4,728,556**

	Share Capital £	Share Premium £	Other Reserves £	Merger Reserve £	Foreign Exchange Reserve £	Retained Earnings £	Total Equity £
Balance at 1 January 2017	2,695,266	3,480,191	49,400	(339,687)	(260,403)	(2,256,539)	3,368,228
Profit for the year	-	-	-	-	-	816,317	816,317
Translation differences	-	-	-	-	(94,174)	-	(94,174)
Total comprehensive income	-	-	-	-	(94,174)	816,317	722,143
Dividends paid	-	-	-	-	-	(226,402)	(226,402)
Issue of share capital	18,000	131,400	-	-	-	-	149,400
Transfer between reserves	-	-	(49,400)	-	-	49,400	-
Share premium reduction	-	(3,480,191)	-	-	-	3,480,191	-
Share based payments	-	-	43,786	-	-	-	43,786
Balance at 31 December 2017	**2,713,266**	**131,400**	**43,786**	**(339,687)**	**(354,577)**	**1,862,967**	**4,057,155**

Filta Group Holdings plc

Condensed consolidated statement of cash flows

for the six months ended 30 June 2018

	Notes	Unaudited 6 months ended 30 June 2018 £	Unaudited 6 months ended 30 June 2017 £	Audited Year ended 31 December 2017 £
Operating activities				
Profit before tax		1,012,886	945,620	1,640,585
Adjustments for non-cash operating transactions:				
Finance costs		19,510	37,794	90,952
Depreciation		85,497	18,611	109,911
Amortisation		65,020	26,638	100,001
Gain on disposal of tangible fixed assets		-	-	9,992
Share based payment charge		31,694	17,687	87,082
		1,214,607	**1,046,350**	**2,038,523**
Movements in working capital:				
Increase in trade and other receivables		(457,496)	(662,830)	(526,864)
Increase/(decrease) in trade and other payables		(248,307)	83,598	210,973
Decrease/(increase) in inventories		86,868	(39,325)	(106,743)
(Decrease)/increase in deferred revenue		202,207	(99,470)	225,969
Cash flow from operations		**797,879**	**328,323**	**1,841,858**
Taxes paid		(813,044)	(344,177)	(510,187)
Net cash flow from operations		**(15,165)**	**(15,854)**	**1,331,671**
Investing activities				
Purchase of property, plant and equipment		(135,109)	(49,277)	(112,941)
Proceeds from disposals of property, plant and equipment		-	-	24,836
Disposal of discontinued operation, net of cash disposed of		49,285	-	-
Purchase of subsidiary undertakings, net of cash acquired	7	(152,260)	-	(1,137,901)
Purchase of other intangible assets		(51,303)	(13,775)	(55,480)
Net cash used in investing activities		**(289,387)**	**(63,052)**	**(1,281,486)**
Financing activities				
Repayments of borrowings		(262,039)	(37,357)	(47,058)
Net proceeds from issue of share capital		-	-	149,400
Dividends paid to shareholders		(176,434)	(51,210)	(226,402)
Interest paid		(19,510)	(37,794)	(90,952)
Net cash used in financing activities		**(457,983)**	**(126,361)**	**(215,012)**
Net change in cash and cash equivalents		**(762,535)**	**(205,267)**	**(164,827)**
Cash and cash equivalents, beginning of period		**4,031,174**	**4,392,350**	**4,392,350**
Exchange differences on cash and cash equivalents		29,512	(63,074)	(196,349)
Cash and cash equivalents at end of period		**3,298,151**	**4,124,009**	**4,031,174**

1. **Accounting Policies**

Basis of preparation
The condensed consolidated financial statements for the six months ended 30 June 2018 and 2017 are unaudited and were approved by the Directors on 3 September 2018. They do not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The financial statements for the year ended 31 December 2017 were prepared in accordance with International Financial Reporting Standards as adopted by the EU and have been delivered to the Registrar of Companies. The report of the auditor on those financial statements was unqualified and did not draw attention to any matters by way of emphasis of matter.

Applicable standards
The interim financial statements have been prepared in accordance with the accounting policies set out in the Group's Annual Report and Accounts for the year ended 31 December 2017, with the exception of the impact due to the adoption of IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from contracts with customers", which are discussed below.

Basis of consolidation
The Group's financial statements consolidate the financial statements of Filta Group Holdings plc and its subsidiaries.

Going concern
The condensed financial statements have been prepared on a going concern basis. At the period end the Group was profitable and had cash and cash equivalents of £3.3m. The Directors are satisfied that there are sufficient resources available for the Group to continue for the foreseeable future.

IFRS 9 Financial instruments

IFRS 9 addresses the classification, measurement and derecognition of financial assets and liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. The Group does not hold complex financial instruments or utilise hedging instruments.
The Group has applied IFRS 9 retrospectively, with the initial application date of 1 January 2018. There has been no impact on the comparatives for the period beginning 1 January 2017.

Cash and cash equivalents, and trade and other receivables: the new rules do not affect the classification and measurement of these financial assets which continue to be recognised at amortised cost.

Financial liabilities: there are no changes to the classification or measurement of financial liabilities under IFRS 9.

The new impairment model requires the recognition of impairment provisions based on forward-looking expected credit losses (ECL) rather than backward-looking incurred losses previously applied under IAS 39. This applies to financial assets classified at amortised cost, namely cash and cash equivalents and trade and other receivables. The only financial asset that is currently impaired under IFRS 9 is trade receivables. A large proportion of trade receivables are covered by credit insurance. The adoption of the ECL requirements of IFRS 9 has resulted in an immaterial change in impairment provisions.

IFRS 15 Revenue from contracts with customers

IFRS 15 has replaced all existing revenue requirements in IFRS and applies to all revenue arising from contracts with customers unless the contracts are within the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard became effective on 1 January 2018. The Group has applied the standard using the modified retrospective method requiring any cumulative impact to be recognised as an adjustment to the opening balances within equity.

The revenue associated with each of the Group's revenue segments falls under the guidance of IFRS 15. The Group has performed the five-step model on each of these elements, identifying the contracts, the performance obligations, transaction price and then allocating this to determine the timing of revenue recognition. For each of these there is no impact on the timing of transfer of control and therefore no impact on the timing of recognition of revenue.

The Group's profit before tax remains unchanged and no adjustments to any line items have been made to the opening balances within equity.

2. Earnings per share

The calculation of earnings per share is based on the following earnings and number of shares:

	Unaudited 6 months ended 30 June 2018 £	Unaudited 6 months ended 30 June 2017 £	Audited Year ended 31 December 2017 £
Profit from continuing operations	814,428	649,675	783,459
Profit from continuing and discontinued operations	814,428	699,102	816,317
Weighted average number of shares			
Basic	27,141,812	26,952,659	26,971,892
Dilutive effect of share options and awards	232,459	314,600	288,081
Diluted	27,374,271	27,267,259	27,259,973

3. Segmental Analysis

Operating segments have been identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (which takes the form of the Board of Directors), in order to allocate resources to the segment and to assess its performance. The Directors consider that the Group currently has four reportable segments: the marketing and execution related to Franchise Development; provision of services and supplies to the Fryer Management sector; servicing the refrigerator seal replacement market (FiltaSeal); and the provision of design, installation and services to the drain and grease management market (FiltaGMG). The Group also has three geographic segments: United Kingdom, North America and Europe.

Revenue and non-current assets by origin of geographical segment for all entities in the Group is as follows:

Revenue

	Unaudited 6 months ended 30 June 2018 £	Unaudited 6 months ended 30 June 2017 £	Audited Year ended 31 December 2017 £
United Kingdom	2,225,383	1,439,286	3,197,973
North America [1]	4,257,501	4,255,261	8,349,325
Europe	83,938	-	-
Total continuing operations	**6,566,821**	**5,694,547**	**11,547,299**
Discontinued operations	-	893,106	1,937,440
Total	**6,566,821**	**6,587,653**	**13,484,739**

1 North American revenue, on a constant currency basis, is up 9.1%

Non-current assets

	Unaudited 6 months ended 30 June 2018 £	Audited Year ended 31 December 2017 £
United Kingdom	1,646,488	1,544,785
North America	1,629,921	1,673,329
Europe	295,810	-
Total	**3,572,219**	**3,218,114**

Product and services revenue analysis

Revenue

	Unaudited 6 months ended 30 June 2018 £	Unaudited 6 months ended 30 June 2017 £	Audited Year ended 31 December 2017 £
Franchise Development	749,447	969,213	1,348,193
Fryer Management	4,329,659	4,025,934	8,434,262
FiltaSeal	761,009	699,400	1,327,835
FiltaGMG	726,706	-	437,008
Total continuing operations	**6,566,821**	**5,694,547**	**11,547,299**
Discontinued operations	-	893,106	1,937,440
Total	**6,566,821**	**6,587,653**	**13,484,739**

No customer has accounted for more than 10% of total revenue during the periods presented.

4. Trade and other receivables

Trade and other receivables consist of the following:

Group	Unaudited 6 months ended 30 June 2018 £	Audited Year ended 31 December 2017 £
Trade receivables	2,118,665	2,028,107
Prepayments and other receivables	501,131	395,677
Prepaid corporate tax	235,197	-
Franchise payment plans	445,352	384,439
	3,300,345	**2,808,223**

Accounts receivable include amounts that the Filta Group has agreed may be settled over extended repayment terms. Accounts receivable subject to these extended repayment terms totaled £260,918 and £302,163 respectively, at 30 June 2018 and 31 December 2017.

5. Trade and other payables

Group	Unaudited 6 months ended 30 June 2018 £	Audited Year ended 31 December 2017 £
Trade payables	700,759	846,564
Taxes and social security	391,855	804,922
Accruals and other payables	323,076	491,420
	1,415,690	**2,142,906**

Analysis of trade and other payables
These are classified as short term and are expected to be settled within 12 months from the reporting date.

6. Share option scheme

The Company, on 5 May 2017 ("Grant Date"), introduced a Share Option Scheme to incentivise executives and employees of Filta Group Holdings and its subsidiaries. For U.K. employees, Options were awarded over a total of 330,000 ordinary shares, equivalent to 1.2% of the Company's current issued share capital. The options may vest, subject to the satisfaction of certain conditions, over a period of 3 years between 2019 and 2021 and are exercisable at any time after vesting and within 10 years from the grant date.

Additionally, all qualifying U.S. employees have been awarded share acquisition rights (SAR's). The SAR's are conditional bonuses whose value will be calculated by reference to the amount by which the price of the Company's ordinary shares has risen above the base price at the date of exercise, thus providing holders of SAR's the same reward value as if the SAR's were share options. The qualifying conditions and timing of vesting are identical to those within the share option scheme for UK employees. A total of 360,000 SAR's have been awarded at a base price of 97p or £341,925.

In the ordinary course of business, an option will normally only be exercisable to the extent it has fully vested, and any applicable non-market performance conditions have been satisfied or waived. Options shall lapse to the extent unexercised on the tenth anniversary of the date of grant or such earlier date as specified by the Board at the date of grant.

Movement in the number of share options outstanding was as follows:

	Share options	**Share acquisition rights**	**Total**
Outstanding at 1 January 2017			
Granted on 5 May 2017 (0.97p)	345,000	360,000	705,000
Forfeited during the period	(60,000)	(7,500)	(67,500)
Total outstanding at 30 June 2017	**285,000**	**352,500**	**637,500**
Granted on 16 October 2017 (1.74p)	97,500	-	97,500
Forfeited during the period	(150,000)	(22,500)	(172,500)
Total outstanding at 31 December 2017	**232,500**	**330,000**	**562,500**
Granted during the period	-	-	-
Forfeited during the year	(7,500)	-	(7,500)
Total outstanding at 30 June 2018	**225,000**	**330,000**	**555,000**
Exercisable at 30 June 2018	**-**	**-**	**-**

During the period ended 30 June 2018 the Company recognised an expense of £31,694 related to the fair value of the share based payment arrangements (2017: £17,687).

7. Business Combinations

On 31 January 2018, the Group acquired 100% of the voting equity interest in FiltaFry Deutschland GmbH, the company which owns the master franchise agreement for FiltaFry in Germany. The acquisition is the first step in Filta's strategy to expand its fryer management franchise business in Europe, by replacing the master franchise structure with a multi-unit franchise model which has been highly effective in the USA over the last 15 years. This provides more direct influence over the marketing and sale of FiltaFry franchises and enables the Group to provide "hands-on" assistance with a central sales and support office to drive the growth of each franchisee within the network.

Details of the provisional fair values of the identifiable assets and liabilities acquired, purchase consideration and goodwill are as follows:

	Book Value	Adjustment	FMV
	£	£	£
Customer relationships	114,592		114,592
Property, plant and equipment	37,124		37,124
Inventory	2,909		2,909
Trade and other receivables	28,441		28,441
Cash	3,265		3,265
Trade and other payables	(82,418)	-	(82,418)
Deferred Tax Liability		(34,137)	(34,137)
Deferred Consideration		(44,240)	(44,240)
Total provisional fair value	**103,912**	**(78,377)**	**25,535**
Consideration paid in cash			155,525
Consideration paid in equity			23,082
Total consideration			**178,607**
Goodwill			**153,072**

8. Dividends

An interim dividend of 0.72p per share will be paid, out of the Company's available distributable reserves, on 28 September 2018, to shareholders on the register at 14 September 2018. In accordance with IAS 1, dividends are recorded only when paid and are shown as a movement in equity rather than as a charge to the Income Statement.

9. Date of approval of interim financial statements

The unaudited consolidated interim financial statements were approved by the Board on 3 September 2018. Electronic copies are available on the Filta Group Holdings plc website, www.filtaplc.com.