

*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 March 2020

**The Barkby Group PLC  
("Barkby" or the "Company")**

**Interim Results for the seven months ended 31 December 2019**

The Barkby Group PLC (AIM:BARK), the diversified business group, announces its unaudited interim results for the seven months ended 31 December 2019.

**Charles Dickson, Executive Chairman of the Barkby Group, commented:**

*"2019 was a year of operational improvements for Barkby and since the acquisition of the Dickson Controlled Entities in January 2020, Barkby has benefited from becoming a significantly larger and more diverse group of businesses."*

*"Our Commercial Property Development business is by far the largest contributor to the Group's profitability so whilst we are undoubtedly seeing our hospitality businesses impacted by the current COVID-19 pandemic, the Board expects the impact of this on the Group's full year earnings to be largely mitigated by the resilience of our Commercial Property Development business. Our business is well positioned financially and despite the current uncertainty, we look forward to the future with confidence."*

**CHAIRMAN'S STATEMENT**

I am pleased to announce the interim results for The Barkby Group PLC for the seven months ended 31 December 2019. The period under review included the start of a transformational process for the Group whereby we announced the proposed acquisition of the Dickson Controlled Entities and the intention to list on AIM. This process completed after the period end on 7 January 2020 and therefore these results only reflect the financial performance of Barkby Pubs and Centurian Automotive for the seven months to 31 December 2019.

**Operations**

Barkby Pubs faced a number of headwinds over the period associated with the uncertainty posed by the general election and Brexit, in addition to the usually quieter October and November period. However, December was a strong month for the pubs and as a result, the pubs ended the period marginally behind management expectations. Our focus was on implementing a number of changes across the pub business with the aim of maximising the profitability of all our units and scaling the business.

Centurian Automotive traded in line with management expectations and remained focused on its strategy of destocking. Centurian's stock is now down to approximately 80 cars and the business is seeing increasing online trade while executing its strategy of carrying less inventory at a higher gross margin.

**Earnings**

The period saw strong trading with Revenues of £7,640,189 (£1,820,439 for the 6 months to December 2018), a significant jump as the Group continued to grow and scale. The increase can be attributed to the acquisition of Centurian Automotive Ltd in February 2019 and the addition of three new pubs.

The unaudited loss for the period of £448,530 is in part attributable to legal and due diligence costs of the reverse takeover of the Dickson Controlled Entities mentioned previously, which amounted to £211,000 as at 31 December 2019, in addition to £250,000 of other restructuring costs that were incurred in this period. Excluding these exceptional costs, the Group would have made a small profit.

## **Acquisitions**

On 19 December 2019, Barkby announced that it had entered into conditional agreements to acquire the Dickson Controlled Entities (the “Acquisitions”) for a total aggregate consideration of £30.6 million. The Board believed that the Acquisitions presented shareholders with a low risk investment with significant capital growth potential and would allow for significantly accelerated growth for all businesses in the Group.

The Acquisitions completed on 7 January 2020 and the Enlarged Group is a diversified group of high growth, high quality businesses run by an entrepreneurial and experienced management team. The existing wholly owned businesses within Barkby include; Commercial Property Development division and our Consumer and Hospitality division (comprising Barkby Pubs, Workshop Coffee and Centurian Automotive).

## **People**

I am delighted that Jonathan Warburton and Matt Wood have joined the Board as Non-Executive Directors. Both possess significant experience and will be invaluable members of our Board as we expand the business. I would also like to take this opportunity to welcome both our incoming Chief Financial Officer, Doug Benzie, who joins Barkby on 24<sup>th</sup> March 2020 from Pure, the London based, healthy fast food chain, where he was Finance Director for nearly three years, and Rupert Bagnall who recently joined Barkby Hospitality as Operations Director.

## **Current Trading and Outlook**

Having acquired the Dickson Controlled Entities in January 2020, the Group’s results for the full year will include contributions from Commercial Property Development, Barkby Hospitality (comprising Barkby Pubs and Workshop Coffee) and Centurian Automotive. Commercial Property Development is the largest contributor to the Group’s profitability, and the Board’s current assessment is that Commercial Property Development will continue to trade in line with expectations, despite COVID-19 headwinds.

### *Commercial Property Development Division*

I am pleased to report that Commercial Property Development continues to trade in line with budget and management expectations. Our development at Hastings, which is anchored by Aldi Stores, Greggs and Costa Coffee, is scheduled to complete towards the end of April 2020. This will trigger completion by Hastings Borough Council and result in net cash receipt to The Group of approximately £2.2m. We also expect to contract to sell our scheme at Saffron Walden prior to 30 June 2020.

### *Consumer and Hospitality Division*

Until mid-March, Workshop Coffee continued to trade in line with management expectations, albeit with some minor impact on earnings expected due to COVID-19. Following the Government’s announcement on 20<sup>th</sup> March, our retail stores have now closed and we are not expecting them to reopen before our financial year end. Encouragingly, our online store is trading at record levels and we also expect our B2B roasting division to continue trading over the next quarter, albeit at a much lower level than normal. Due to various Government interventions announced over the last 10 days on taxation deferral, payroll subsidies, business rates relief and small retail grants, we do not expect there to be a material cash impact to Workshop nor do we expect this to

impact the Group's full year earnings materially due to the fact that Workshop only recently began making a contribution to Group earnings.

Since 12 March 2020, trade at Barkby's five pubs has been impacted by the ongoing COVID-19 pandemic and as of 20 March 2020 all of our pub premises have been closed. Prior to closing our doors, trading was marginally behind expectations due to the delay in the acquisition of The Star Inn at Sparsholt. The aforementioned Government interventions to mitigate some of the impact of COVID-19 on our pub business means that the pubs earnings for the full year will be significantly lower, but we do not expect the shutdown to materially impact Group cash. We will, however, miss out on 14 traditionally strong weeks of positive earnings contribution. We are using this period of shut down to refurbish the Rose & Crown so that it can re-open as a stronger business when COVID-19 trading restrictions are lifted.

Centurian Automotive continues to trade in line with management expectations and we have stepped up the development of our online presence. We are seeing strong demand for our vehicles and we believe the COVID-19 impact will be minimal due to the nature of the business, which requires limited face-to-face interaction.

### *Life Sciences*

Our Life Sciences investment, Vivoplex, continues to make excellent progress. On 3 March 2020, the Group announced it had signed exclusive, non-binding heads of terms to acquire the intellectual property of Cambridge Sound Technologies and associated parties, a privately-owned developer of advanced sleep technology products, which has received significant interest from global retailers and distributors. The documentation for completing this acquisition continues to progress well and we hope to announce completion shortly. This is evidence of the momentum in the business and proof that there is no shortage of opportunities for the Group.

### *Investments*

#### *Transcend Packaging Ltd*

Under the agreement with Transcend Packaging Ltd, which completed on the 7 January 2020, the Group had the ability to advance up to £3.5m under a convertible loan note ('CLN'). Since 7 January 2020, the Group has advanced £250,000 to Transcend Packaging Ltd under the CLN in addition to £250,000 advanced in October 2019 to Transcend Packaging Ltd prior to the CLN completing.

### *Summary*

The Group continues to deliver on its strategy to invest in exciting businesses with the ability to disrupt. I want to take this opportunity to reassure shareholders that we are well positioned financially. Our property development business is the largest contributor to Group profitability, and this business remains resilient and cash generative. Whilst UK trading conditions are expected to remain challenging due to the impact of COVID-19, especially for Barkby Pubs and Workshop Coffee, which are expected to be impacted, the Board are very confident that the diversified nature of the Group's activities mean the Group is well placed to face the current crisis. However, these are uncertain and unprecedented times, and the Board now prudently expects EBITDA to be around £3.5m for FY20.

Due to the impact of COVID-19 on Group earnings and to preserve the Group's cash position, the Executive Directors will take an immediate 40% pay cut and our Non-Executive Directors have agreed to take a 100% pay cut. These measures will be reviewed in July 2020. The Directors have considered the Group's cash position in the event of a prolonged disruption to the economy resulting from COVID-19 and are confident that the Group can maintain sufficient working capital headroom into the foreseeable future.

We would like to thank all our shareholders for their continued support. It is an exciting time for The Barkby Group and we look forward to delivering on the Group's potential. We believe there will be many opportunities for the Group in the latter stages of 2020 and look forward to updating our stakeholders on progress later in the year.

**Charles Dickson**  
**Chairman**

23 March 2020

**Enquiries:**

**The Barkby Group PLC**

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**THE BARKBY GROUP PLC**

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**Seven months ended 31 December 2019**

		<b>Seven months ended 31-Dec-19 Unaudited £</b>	<b>Yr ended 31-May-19 Audited £</b>	<b>Six months ended 31-Dec-18 Unaudited £</b>
	<b>Note</b>			
<b>Turnover</b>		<u><b>7,640,179</b></u>	<u>6,286,413</u>	<u>1,820,439</u>
<b>Administrative costs</b>				
Other administrative expenses	<b>1/ 2</b>	<u><b>(8,088,709)</b></u>	<u>(6,292,186)</u>	<u>(1,838,319)</u>
Finance/ Other income			<u>81,000</u>	<u>-</u>
<b>Profit/ (loss) on ordinary activities before taxation</b>		<u><b>(448,530)</b></u>	<u>75,227</u>	<u>(17,880)</u>
Tax on profit/ (loss) on ordinary activities		<u>-</u>	<u>-</u>	<u>-</u>
<b>Profit/ (loss) for the financial period from continuing operations</b>		<u><b>(448,530)</b></u>	<u>75,227</u>	<u>(17,880)</u>
<b>Profit from discontinued operation</b>		<u>-</u>	<u>-</u>	<u>-</u>
<b>Profit/ (Loss) for the period attributable to owners of the parent</b>		<u><b>(448,530)</b></u>	<u>75,227</u>	<u>(17,880)</u>
<b>Total comprehensive income/ (loss) attributable to owners of the parent arising from:</b>				
Continuing operations		<u><b>(448,530)</b></u>	<u>75,227</u>	<u>(17,880)</u>
Discontinued operations		<u><b>(448,530)</b></u>	<u>75,227</u>	<u>(17,880)</u>
<b>Earnings/(loss) per ordinary share (pence)</b>				
From continuing and discontinued operations: Basic	<b>3</b>	<u><b>(1.29)</b></u>	<u>0.22</u>	<u>(0.06)</u>

**THE BARKBY GROUP PLC**

**UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**As at 31 December 2019**

	<b>Note</b>	<b>As at 31-Dec-19 Unaudited £</b>	<b>As at 31-May-19 Audited £</b>	<b>As at 31-Dec-18 Unaudited £</b>
<b>FIXED ASSETS</b>				
Tangible assets	<b>4</b>	1,055,890	1,011,930	1,036,030
Available for sale financial assets		-		-
Intangible assets		<u>1,073,761</u>	<u>1,073,761</u>	<u>918,550</u>
		2,129,651	2,085,691	1,954,580
<b>CURRENT ASSETS</b>				
Other receivables		4,738,349	4,186,583	435,285
Cash at bank		<u>(622,050)</u>	<u>12,082</u>	<u>36,674</u>
		4,116,299	4,198,665	471,959
<b>CURRENT LIABILITIES</b>				
Trade and other payables		<u>(4,867,253)</u>	<u>(4,423,150)</u>	<u>(709,956)</u>
<b>NET CURRENT ASSETS</b>		<u>(750,954)</u>	<u>(224,485)</u>	<u>(237,997)</u>
<b>LONG TERM LIABILITIES</b>	<b>5</b>	(338,725)	(372,704)	(551,701)
<b>NET ASSETS</b>		<u><u>1,039,972</u></u>	<u><u>1,488,502</u></u>	<u><u>1,164,883</u></u>
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>				
Share capital	<b>6</b>	139,142	139,142	125,228
Share premium account		6,347,414	6,347,414	6,591,878
Reconstruction reserve				
Share-based payment reserve				
Capital redemption reserve		3,077,503	3,077,503	3,077,503
Retained earnings		<u>(8,524,087)</u>	<u>(8,075,557)</u>	<u>(8,629,726)</u>
<b>TOTAL EQUITY</b>		<u><u>1,039,972</u></u>	<u><u>1,488,502</u></u>	<u><u>1,164,883</u></u>

**THE BARKBY GROUP PLC**

**UNAUDITED CONSOLIDATED CASH FLOW STATEMENT**

**Seven months ended 31 December 2019**

All cashflows are from continuing operations.

	<b>Seven months to 31-Dec-19 Unaudited £</b>	<b>Yr to 31-May-19 Audited £</b>	<b>Six months to 31-Dec-18 Unaudited £</b>
<b>Net cashflow used in operating activities</b>	<b>(634,132)</b>	<b>(105,592)</b>	<b>(578,434)</b>
<b>Finance income</b>	<u>                    </u>	<u>81,000</u>	<u>0</u>
<b>Net decrease in cash and cash equivalents</b>	<b>(634,132)</b>	<b>(24,592)</b>	<b>(578,434)</b>
<b>Cash and cash equivalents at beginning of period</b>	<u>12,082</u>	<u>36,674</u>	<u>615,108</u>
<b>Cash and cash equivalents at end of period</b>	<u><b>(622,050)</b></u>	<u><b>12,082</b></u>	<u><b>36,674</b></u>

# THE BARKBY GROUP PLC

## UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Seven months ended 31 December 2019

	Share capital	Share premium	Capital redemption reserve	Retained earnings	Total
	£	£	£	£	£
At 31 December 2017	3,163,589	5,563,520	702,167	(8,851,496)	577,780
Restructure of Equity after purchase of Turf To Table	(3,024,447)	783,894	2,375,336	700,712	835,495
Total comprehensive income for 17 months ended 31 May 2019	-	-	-	75,227	75,227
<b>At 31 May 2019</b>	<b>139,142</b>	<b>6,347,414</b>	<b>3,077,503</b>	<b>(8,075,557)</b>	<b>1,488,502</b>
Total comprehensive income for 7 months ended 31 Dec 2019	-	-	-	(448,530)	(448,530)
<b>At 31 Dec 2019</b>	<b>139,142</b>	<b>6,347,414</b>	<b>3,077,503</b>	<b>(8,524,087)</b>	<b>1,039,972</b>

# THE BARKBY GROUP PLC

## Notes to the interim consolidated financial information

### Seven months ended 31 December 2019

#### 1. GENERAL

These unaudited consolidated interim financial statements are for the seven months ended 31 December 2019. They do not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements for the 17 month period ended 31 May 2019, which were prepared under International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU"). A number of new standards, amendments to existing standards and interpretations were effective from 1 January 2017.

The statutory accounts for the 17 month period ended 31 May 2019 have been filed with the Registrar of Companies. Those accounts have received an unqualified audit report and did not contain statements or matters to which the auditors drew attention under the Act.

The Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, these interim financial statements have been prepared on a going concern basis as the Directors are of the opinion that the Company has sufficient funds to meet their ongoing working capital and committed capital expenditure requirements

The interim financial information is unaudited, no dividend has been declared or paid in this interim period.

#### 2. ACCOUNTING POLICIES

The principal accounting policies and methods of computation have remained unchanged from those used in the preparation of the 2019 annual financial statements and are expected to be used for the June 2020 annual financial statements.

#### 3. LOSS/EARNINGS PER SHARE

	Seven months to	Yr to	Six months to
	31-Dec-19	31-May-19	31-Dec-18
	Unaudited	Audited	Unaudited
Weighted average number of ordinary shares in issue	34,768,263	34,768,263	30,551,847
	<u>34,768,263</u>	<u>34,768,263</u>	<u>37,947,751</u>
<b>Profit/(loss) after taxation (£)</b>			
From continuing operations	(448,530)	75,227	(17,880)
From discontinued operations	-	-	-
	<u>(448,530)</u>	<u>75,227</u>	<u>(17,880)</u>
<b>Basic earnings/(loss) Per Share (pence)</b>	(1.29)	0.22	(0.06)

#### 4. FIXED ASSETS

	Seven months to 31-Dec-19 Unaudited £	Yr ended 31-May-19 Audited £	Six months to 31-Dec-18 Unaudited £
<b>Tangible Assets</b>			
The Plough- Freehold	671,866	671,866	671,866
Fixtures & Fittings	169,168	120,749	206,731
Computer Equipment	100,773	52,527	48,879
Kitchen Equipment	114,083	166,788	108,554
<b>Total tangible assets</b>	<b>1,055,890</b>	<b>1,011,930</b>	<b>1,036,030</b>
<b>Intangible Assets</b>			
Investment in subsidiary	1,073,761	1,073,761	918,550
<b>Total Fixed Assets</b>	<b>2,129,651</b>	<b>2,085,691</b>	<b>1,954,580</b>

#### 5. LONG TERM LIABILITIES

	Seven months to 31-Dec-19 Unaudited £	Yr ended 31-May-19 Audited £	Six months to 31-Dec-18 Unaudited £
<b>Long Term Liabilities</b>			
Directors loans		0	(25,076)
Kitchen equipment leases	17,033	36,527	16,777
The Plough mortgage	321,692	336,177	
Contingent investment		0	560,000
<b>Total Long Term Liabilities</b>	<b>338,725</b>	<b>372,704</b>	<b>551,701</b>

## 6. SHARE CAPITAL

### Issued and fully paid:

	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	<b>No. of shares</b>	No. of shares	<b>£</b>	£
Ordinary shares of £0.0001 each	<b><u>37,947,751</u></b>	<u>37,947,751</u>	<b><u>125,228</u></b>	<u>125,228</u>

## 7. COPIES OF INTERIM REPORT

Copies of the interim report are available to the public from the Company at 115B Innovation Drive, Milton Park, Abingdon, Oxfordshire, OX14 4RZ, during normal office hours, Saturdays and Sundays excepted, for 14 days from today and are available on the website at [www.barkbygroup.com](http://www.barkbygroup.com).