POSITIVE HEALTHCARE PLC

("Positive Healthcare" or the "Company" and, together with its subsidiaries, the "Group")

INTERIM RESULTS FOR THE PERIOD ENDED 30 JUNE 2016

I am pleased to present the interim condensed consolidated financial results of Positive Healthcare Plc for the period from 2 November 2015 to 30 June 2016. The Company was incorporated on 2 November 2015.

Business and operations

Positive Healthcare PLC continues to hold investments in companies within the healthcare recruitment sector in the UK. Since being admitted on the ISDX growth market, the Company has raised debt finance of GBP1.33 million via a Bond issue and used the funds to complete the acquisition of a 75% stake in Capital Care Services (UK) Limited and Fine Locums Limited on the 30th June 2016.

Both of these businesses operate within the healthcare recruitment industry. Based in London, they specialise in the recruitment of locum nurses, doctors and domiciliary care workers. The Directors are confident the addition of these two companies within the group will result in a significant improvement in the future profit outlook for the Group.

Capital Care Services (UK) Limited generated a revenue of GBP3.21 million for the period from 1 January 2016 to 30 June 2016 and EBITDA of GBP154,000 for the same period. Fine Locums Limited generated revenue of GBP504,190 for the period from January 2016 to June 2016 and EBITDA of GBP37,830 for the same period. Neither company contributed any revenue or profit towards the Group's performance for the period under review.

Financial results

The interim condensed consolidated EBITDA for the period is (GBP50,701) and loss after exceptional items and taxation was GBP252,766 on consolidated revenue of GBP1,140,993. The exceptional items comprise costs associated with the bond issue of GBP154,300.

Outlook

The first half of 2016 has been an exciting time of change and growth for Positive Healthcare. The acquisition of the majority stake of CCS and Fine Locums in June has given the Group an enlarged platform for growth. The increasing number of people living in the UK, combined with an ageing population, contribute to an insatiable appetite for free healthcare and as a result the NHS struggles to keep pace which leads to a growing demand for a flexible workforce plus a growing over-run into the private sector creating opportunities there too.

The acquisitions coupled with our existing business gives a 3 times Bond cover on a normalised basis excluding fundraising fees.

The Company has invested in more fee earners, an updated CRM system and stronger marketing to attract nurses and doctors and service the new framework awards that have been won during the reporting period. We look forward to further organic growth and continue to evaluate strategic acquisitions in the sector.

We would like to take this opportunity to thank the entire staff of the Company for their hard work and passion during this period of change, without whom, none of this would have been possible.

Gary Ashworth	**Christopher Paul Ledbury**
Chairman	**Chief Executive Officer**

The Directors of Positive Healthcare accept responsibility for this announcement.

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CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2016

	Notes	2016 GBP
Revenue		1,140,993
Cost of sales		(885,983)
Gross profit		**255,010**
Administrative expenses		(306,902)
Exceptional costs	4	(154,300)
Finance cost	5	(46,574)
Loss before tax	6	**(252,766)**
Taxation	7	-
Profit for the year		**(252,766)**
Attributable to:		
Equity holders		(252,766)
		(252,766)
Earnings per share		**Pence**
Basic earnings per share attributable to equity holders of the parent	8	(5.055)
Diluted earnings per share attributable to equity holders of the parent	8	(5.055)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

Group

	Notes	2016 GBP
ASSETS		
Non-current assets		
Intangible assets	9	1,002,540
Property, plant and equipment	10	81,168
		1,083,708
Current assets		
Trade and other receivables	11	1,954,601
Cash and cash equivalents	12	116,491
		2,071,092
TOTAL ASSETS		**3,154,800**
EQUITY AND LIABILITIES		
Equity attributable to equity holders		
Share capital	13	50,000
Retained earnings/(deficit)		(252,766)
Non-controlling interest		238,784
Total equity		36,018
Non-current liabilities		
Borrowings	14	1,330,675
		1,330,675
Current liabilities		
Trade and other payables	15	1,788,107
		1,788,107
TOTAL EQUITY AND LIABILITIES		**3,154,800**

The financial statements were approved and authorized for issue by the Board on 27 September 2016.

Gary Ashworth
Director

Company Registration number: 09852871

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2016

Group	**Share capital**	**Retained earnings/ (deficit)**	**Non-controlling interest**	**Total**
	GBP	**GBP**		**GBP**

Balance as at 2 November 2015	50,000	-	-	50,000
Loss for the period	-	(252,766)		(252,766)
Non-controlling interest	-	-	238,784	238,784
Balance as at 30 June 2016	**50,000**	**(252,766)**	**238,784**	**36,018**

CONDENSED CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE PERIOD ENDED 30 JUNE 2016

	Notes	Group 2016 GBP
Loss for the period		(252,766)
Cash flow from operating activities		
Adjustments for:		
Depreciation		1,191
Bond issue costs		154,300
Decrease/(increase) in receivable		62,838
(Decrease)/increase in payables		454,333
Net cash generated in operating activities		672,662
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired	**19**	(1,529,780)
Net cash used in investing activities		(1,529,780)
Cash flows from financing activities		
Share issue		50,000
Bond issue net of costs		1,176,375
Net cash generated from finance activities		1,226,375
Net increase in cash and cash equivalents		116,491
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents at end of the period	**12**	**116,491**

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2016

1 General information

The interim condensed financial statements of Positive Healthcare Plc and its subsidiaries (collectively the "Group") for the period ended 30 June 2016 were authorised for issue in accordance with a resolution of the directors on 27 September 2016

Positive Healthcare Plc is a company registered in England and wales under company registration number 09852871, whose bond is listed on the ISDX Growth Market. The registered office is located at 18 Raven Road, London, E18 1HB. The group is principally engaged in recruitment within the Healthcare sector.

These unaudited interim condensed consolidated financial statements, which comprise condensed consolidated statement of comprehensive income, condensed consolidated statement of financial position, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows and related notes, do not constitute full accounts within the meaning of s435 (1) and (2) of the Companies Act 2006.

2. Standards, amendments and interpretations to published standards not yet effective

The following standards and interpretations (and amendments thereto) have been issued by the International Accounting Standards Board (IASB) and its International Financial Reporting Interpretations Committee (IFRIC) which are not yet effective and have not been adopted, many of which are either not relevant to the group and parent company or have no impact on the financial statements of the group and parent company.

	Effective Dates *
IFRS 9 Financial instruments: Classification	1 January 2018
IFRS 14 Regulatory deferral accounts	1 January 2016
IFRS 15 Revenue from contracts with customers	1 January 2017
IAS 16 Amendments bringing bearer plats into scope of IAS 16	1 January 2016
IAS 41 Amendments bringing bearer plants into scope of IAS 16	1 January 2016

* The effective dates stated above are those given in the original IASB/IFRIC standards and interpretations. As the group and parent company prepares it financial statements in accordance with IFRS as adopted by the European Union (EU), the application of new standards and interpretations will be subject to their having been endorsed for used in the EU via the EU Endorsement mechanism. In the majority of cases this will result in an effective date consistent with that given in the original standard of interpretation but the need for endorsement restricts the group and parent company's discretion to early adopt standards.

3. Basis of presentation and significant accounting policies

The principal accounting policies applied in the preparation of the group and parent company's financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Basis of presentation

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), as adopted for use in the European Union and issued by the International Accounting Standards Board. The consolidated financial statements are presented in Sterling, the group and parent company's functional currency.

IFRS requires management to make certain critical accounting estimates and to exercise judgement in the process of applying the group's accounting policies. These estimates are based on the directors' and independent professional's best knowledge and past experience.

In the opinion of the directors, based on the group's budgets and financial projections, they have satisfied themselves that the business is a going concern. The board has a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future and therefore the accounts are prepared on a going concern basis.

3.2 Basis of consolidation

The financial statements incorporate the financial statements of the Company, its subsidiary and associated entities made up to 30 June 2016.

Subsidiaries

The financial statements incorporate the financial statements of the Company and entities controlled by the Company made up to the period ended 30 June 2016.

Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the financial statements from the date that control commences until the date that control ceases.

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to profit and loss in the period of acquisition. The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised. Subsequently, any losses applicable to the minority interest in excess of the minority interest are allocated against the interests of the parent.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

All intra-Group transactions, balances, income, expenses and unrealised gains are eliminated when preparing the historical financial information. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Investments

Investments are recognised and derecognised on a trade date where a purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at cost, including transaction costs.

Goodwill

Goodwill arising on consolidation represents the excess of the fair value of consideration over the Group's interest in the f air value of the identifiable assets, liabilities and contingent liabilities recognised. Goodwill is recognised as an asset and reviewed for impairment at least annually. Any impairment is recognised in the income statement and is not subsequently reversed. Acquisitions accounted for under IFRS 3 the consideration used in the calculation of goodwill includes third party costs incurred to effect the acquisition. Following the adoption of IFRS 3 (revised) (acquisitions from 1 January 2010) these costs are expensed through the income statement and included in costs of acquisitions.

On disposal of a subsidiary or associate, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

For acquisitions accounted for under IFRS 3, future anticipated payments to vendors in respect of earn outs are based on the Directors' best estimates of the fair value of future obligations, which are dependent on future performance of the interests acquired and assume the operating companies improve profits in line with Directors' estimates and are included in liabilities greater or less than one year as appropriate. There will be no depreciation or amortisation of goodwill in the month of acquisition.

Following the adoption of IFRS 3 (revised), changes to earn outs are recorded in the income statement through costs of acquisitions. In this instance, when earn outs are to be settled in cash or share consideration, the fair value of the consideration is obtained by discounting to present value the amounts expected to be payable in the future. The resulting interest charge is included within finance costs of deferred consideration.

When a business is acquired from former shareholders who become employees of the Group, should their earn out payments be dependent on continuing employment then all payments are treated as remuneration for post acquisition services. This is a change to the previously adopted policy of the Group and is as a result of the publication in January 2013 of the IFRS IC Update of the Committee's agenda decision on IFRS 3 Business Combinations–Continuing employment.

The charge to the income statement is included in deemed remuneration and the fair value of the liability is included as deemed remuneration in the balance sheet, classified as current or non-current liabilities as appropriate.

In accordance with IFRS an impairment charge is required for both goodwill and other indefinite lived assets when the carrying amount exceeds the 'recoverable amount', defined as the higher of fair value less costs to sell and value in use.

Our approach in determining the recoverable amount utilises a discounted cash flow methodology, which necessarily involves making numerous estimates and assumptions regarding revenue growth, operating margins, tax rates, appropriate discount rates and working capital requirements.

These estimates will likely differ from future actual results of operations and cash flows, and it is possible that these differences could be material. In addition, judgments are applied in determining the level of cash-generating unit we identify for impairment testing and the criteria we use to determine which assets should be aggregated.

3.3 Financial assets

Held to maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the group has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment

Available for sale financial assets (AFS Financial Assets)

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (a) loan and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit and loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determined payments that are not quoted in an active market and do not qualify as trading assets. Such assets are carried at amortised cost using the effective interest method if the time value of money is significant. Gains and losses are recognised in the consolidated statement of comprehensive income when the loans or receivables are derecognised or impaired, as well as through the amortisation process.

3.4 Cash and cash equivalents

These include cash in hand, deposits held at call with banks and bank overdrafts

3.5 Trade and other receivables

Trade and other receivables are recognised by the group and carried at the original invoice amount less an allowance for any uncollectable or impaired amounts.

Other receivables are initially recognised at fair value.

An estimate for doubtful debts is made when the collection of the full amount is no longer probable. Bad debts are written off to the consolidated statement of comprehensive income when they are recognised as being bad.

3.6 Trade and other payables

These are initially recognised at fair value and then carried at amortised cost. These arise principally from the receipt of goods and services.

3.7 Provision

A provision is recognised in the consolidated statement of financial position when the group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessment of the time value of money and, where appropriate, the risks specific to the liability.

3.8 Taxation

The tax expense represents the sum of the tax currently payable.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the consolidated statement of financial position date.

3.9 Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that the group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting ate.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on difference tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.10 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. All such revenue is reported net of discounts and value added and other sales taxes

3.11 Interest expense recognition

Interest expense is recognised as interest accrues, using the effective interest method, on the net carrying amount of the financial liability.

3.12 Borrowings

Borrowings other than bank overdrafts are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in the consolidated statement of comprehensive income over the period of the borrowings, using the effective interest method.

4. Exceptional items

Exceptional items comprise the following:

	Period ended 30 June 2016 GBP
Bond issue costs	154,300

5. Finance costs

	Period Ended 30 June 2016 GBP
Interest paid to bond holders	46,574
	46,574

6. Operating loss

Operating loss is stated after charging the following:-

	2012 GBP
Depreciation	1,191
	1,191

7. Taxation

	Period ended 30 June 2016 GBP
Current year tax expenses	-
	-

On the basis of these financial statements no provision has been made for UK corporation tax

8. Earnings per share

The basic earnings / (deficit) per share is calculated by dividing net profit or loss for the year attributable to ordinary equity holders by the weighted average number of ordinary shares during the year.

The diluted earnings / (deficit) per share is calculated by dividing the net profit or loss attributable to ordinary shareholders after adjustments for instruments that dilute basic earnings per share by the weighted average of ordinary shares outstanding during the year (adjusted for the effects of dilutive instruments).

	Earning s/(loss)	30 June 2016 Weighted average number of shares	Per share amount
Basic EPS	**GBP**		**Pence**
Loss attributable to ordinary shareholders	252,766	50,000	5.055

This is the same as the Diluted EPS.

9. Intangible assets

Group	**Goodwill**	**Development costs**	**Total**
	GBP	**GBP**	**GBP**
Additions during the period	999,239	-	999,239
Acquired on acquisition of subsidiary	-	3,301	3,301
Fair value adjustments	-	-	-
As at 30 June 2016	999,239	3,301	1,002,540

Goodwill arose on acquisition of subsidiaries as detailed in Note 19

10. Property plant and equipment

Group	Property Plant and Equipment GBP
As at 2 November 2015	-
Acquired on acquisition of subsidiary	82,019
Additions during the period	340
Cost as at 30 June 2016	82,359
Depreciation as at 2 November 2015	-
Charge for the period	1,191
	-
Depreciation as at 30 June 2016	1,191
Net Book Value	
At 30 June 2016	81,168

11. Trade and other receivables

	30 June 2016
	GBP
Trade receivables	1,619,463
Other receivables	335,138
	1,954,601

12. Cash and cash equivalents

Group	30 June 2016 GBP
Cash at bank	116,491

13. Share capital

Group	30 June 2016 GBP
Issued share capital	
50,000 ordinary shares of GBP1 each	50,000

14 Borrowings

30 June 2016

	GBP
Amounts due to bond holders	1,330,675
	1,330,675

During the period to 30 June 2016, the group issued 1,330,675 bonds of GBP1 each maturing in 2021, carrying an interest rate of 7% per annum.

15. Trade and other payables

	30 June 2016 GBP
Trade payables	545,215
Other payables	355,603
Shareholder loans	608,157
Taxation and social security	279,132
	-
	1,788,107

16. Financial instruments

In common with other businesses, the group is exposed to the risk that arises from its use of financial instruments. This note describes the group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information is found throughout these consolidated financial statements.

16.1 Principal financial instruments

The principal financial instruments of the group, from which financial instrument risk arises, are as follows:

	30 June 2016 GBP
Cash and cash equivalents	116,491
Trade and other payables	(1,788,107)
Non- current borrowings	(1,330,675)
Trade and other receivables	1,954,601

16.2 Financial risk management objectives and policies

Credit risk

The group trades only with recognised, credit worthy customers. All customers who wish to trade on credit are subject to credit verification checks. Customer balances are checked regularly to ensure that the risk of exposure to bad debts is minimised.

The group's cash balances are all held with major banking institutions. The majority of trade receivables are due from credit worthy customers and or financial institutions and are automatically settled within a few days of arising. It is not thought that the credit risk is significant.

Liquidity risk

The group have given responsibility of liquidity risk management to the board who have formulated liquidity management tools to service this requirement.

Management of liquidity risk is achieved by monitoring budgets and forecasts and actual cash flows.

Market risk

The group's main exposure to risk is through interest rates. The group enters into the following derivative transactions.

Interest rate risk

The group is subject to interest rate risk as its bank balances are subject to interest at a floating rate. The interest rate on bank balances at 30 June 2016 was 0.5%.

Foreign currency risk

Some trade payables are denominated in foreign currencies however these liabilities are settled within a few days of arising so the risk to the group is low.

Fair value risk

In view of the above interest arrangement it is thought that fair value risk is minimal and that financial instruments are stated in the consolidated statement of financial position at value not significantly different from their fair value.

17. Related party transactions

Included within the trade and other payables within the group's balance sheet is an amount of GBP600,000 owed to G Ashworth a director of the Company and controlling shareholder.

18. Other financial commitments

As at 30 June 2016 the group were committed to make payments during the next year in respect of non-cancellable operating leases amounting to GBP35,000 in respect of its premises at 18 Raven Road, London, E18 1HB

19. Acquisition of subsidiaries

On 06 November 2015 the Company acquired 100% of the issued share capital of Positive Mental Health Limited, a company within the healthcare recruitment sector.

The identifiable net assets acquired were as follows:-

	GBP
Property plant and equipment	4,406
Trade and other receivables	375,519
Cash and cash equivalents	550
Trade and other payables	(509,930)
Net liabilities acquired	(129,455)

Goodwill was recognised as a result of the acquisition as follows:-

	GBP
Total purchase price	100
Add: Net liabilities acquired as above	129,455
Goodwill	129,555

On 30 June 2016 the Company acquired 75% of the issued share capital of Capital Care Services (UK) Limited, a company specialising in recruitment of temporary nurses, doctors and domiciliary care workers.

The identifiable net assets acquired were as follows:-

	GBP
Property plant and equipment	64,510
Development costs capitalised	3,301
Trade and other receivables	1,469,365
Cash and cash equivalents	20,776
Trade and other payables	(747,517)
	810,435
Net assets Acquired 75%	607,826

Goodwill was recognised as follows:-

	GBP
Total purchase price including legal costs	1,316,036
Less:- Net assets acquired	(607,826)
Goodwill	708,210

During the period to 30 June 2016, Capital Care Services (UK) Limited did not contribute towards the group's revenue or loss for the period. The trading results for the period under review for Capital Care Services (UK) Limited were as below:-

	GBP'000
Revenue	3,210
Profit after tax	148

On 30 June 2016 the Company acquired 75% of the issued share capital of Fine Locums Limited, a company specialising in recruitment of temporary nurses within the healthcare sector.

The identifiable net assets acquired were as follows:-

	GBP
Property plant and equipment	13,184
Trade and other receivables	172,813
Cash and cash equivalents	35,031
Trade and other payables	(76,327)
	144,701
Net assets Acquired 75%	108,526

Goodwill was recognised as follows:-

	GBP
Total purchase price including legal costs	270,000
Less:- Net assets acquired	(108,526)
Goodwill	161,474

During the period to 30 June 2016, Fine Locums Limited did not contribute towards the group's revenue or loss for the period. The trading results for the period under review for Capital Care Services (UK) Limited were as below:-

	GBP'000
Revenue	504
Profit after tax	30

All acquisition accounting is provisional and a purchase price allocation exercise has not yet been performed.