HEALTHPERM RESOURCING LTD

(the "Company")

Interim Accounts for the six months ended 30 June 2017

Chairmen's Statement

I am delighted to report the consolidated results of Healthperm Resourcing Ltd ("Healthperm", the "Company" or the "Group") six months ended 30 June 2017.

Basis of presentation of financial information

This consolidated financial information has been published to enable the Company to comply with its financial reporting obligations under the rules of NEX Exchange Growth Market.

Background

Healthperm was founded with the objective of addressing the acknowledged shortage of permanent nurses in the healthcare systems in the United Kingdom and the United Arab Emirates, through the recruitment of experienced professionals from the Philippines. The Board believes that Healthperm has the potential to provide both capital growth and income through dividends for shareholders.

According to WHO statistics, there are five million vacancies for doctors, nurses and allied health professionals in the global permanent healthcare recruitment market. The United Kingdom and the United Arab Emirates are showing strong growth and there is clear demand for healthcare professionals, which is not currently being met locally.

Key Operational Highlights

- Steve Howson was appointed Chief Executive Officer on 1 June 2017.
- Delivered over £100,000 revenue through placements in the United Kingdom and Middle East.
- The quality of our candidates continues to be supported by their high pass rate for the Objective Structured Clinical Examination ("OSCE") in United Kingdom placements.
- The opening of our IELTS training centre in United Arab Emirates provides a supply of well-trained International English Language Testing System ("IELTS") passers into our network for the Middle East and United Kingdom.
- The Group has signed 3 mandates in the United Kingdom and 2 in the Middle East, building on its 2016 pipeline with further interview sessions

Healthperm continues to build on its business growth from 2016, conducting numerous interview sessions with candidates sourced from the Philippines, as well as business development meetings with NHS trusts in the UK and healthcare providers in the Middle East.

For the remainder of 2017, the Board anticipates the Group will agree additional mandates with NHS hospitals and healthcare organisations in the Middle East for the recruitment of nurses, doctors and other allied professionals from the Philippines.

On 28 April 2017 the Company announced an increase in the loan notes for which David Sumner, Co-Chairman, had irrevocably agreed to subscribe to £1.8 million. On 28 September 2017, the Board of Healthperm authorised an increase in the quantum of loan notes to £3.0 million. On the same date David Sumner agreed to increase the quantum of loan notes for which he has irrevocably agreed to subscribe to £3.0 million, to be available in maximum tranches of £150,000 per month subject to the Company's working capital requirements. The loan facility is repayable on or before 31 December 2018.

Finally, the Group places considerable value on the involvement of its employees and has continued its practice of keeping them informed of matters affecting them as employees and the various factors affecting the performance of the Group. The Directors would again like to mention and thank all staff for their efforts, and we look forward to your continued support in for 2017.

David Sumner and Alan Kitchin

Chairmen

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Condensed consolidated statement of comprehensive income

for the six months ended 30 June 2017

	Note	**6 months ended 30 June 2017** *(unaudited)* **£000**	**6 months ended 30 June 2016** *(unaudited)* **£000**
Revenue		103	-
Cost of sales		(41)	-
Gross profit		62	-
Other income		87	43
Operating costs		(941)	(695)
Operating loss		(792)	(652)
Finance costs		(48)	(28)
Loss before taxation		(840)	(680)
Income tax	4	50	51
Loss after tax		**(790)**	(629)
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of foreign operation		4	9
Total comprehensive loss for the year attributable to equity holders		(786)	(620)
Basic and diluted loss per share (pence)	8	9.12	7.26

The notes to the financial statements form an integral part of these interim financial statements.
All amounts are derived from continuing operations.

Condensed consolidated statement of financial position

as at 30 June 2017

	Note	As at 30 June 2017 *(unaudited)* £000	As at 31 December 2016 *(audited)* £000
Non-current assets			
Property, plant and equipment		3	1
Intangible assets	5	235	270
Deferred tax asset	4	201	160
		439	431
Current assets			
Trade and other receivables		276	84
Cash		206	22
		481	106
Current liabilities			
Trade and other payables		(502)	(590)
Net current (liabilities)/asset		**(21)**	(484)
Non-current liabilities			
Debt	7	(1,633)	(371)
Deferred tax liabilities	4	(36)	(41)
Net liabilities		**(1,251)**	(465)
Equity attributable to owners			
Share capital	6	14,840	14,840
Translation reserves		180	176
Capital restructuring reserve		(11,746)	(11,746)
Merger reserve		54	54
Accumulated loss		(4,579)	(3,789)
Total equity and merger reserve		**(1,251)**	(465)

The notes to the financial statements form an integral part of these interim financial statements.

This report was approved by the board and authorised for issue on 28 September 2017 and signed on its behalf by:

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John-Paul Etheridge

Condensed consolidated statement of changes in equity

for the six months ended 30 June 2017

	Share capital	Translation reserves	Capital restructuring reserve	Merger reserve	Accumulated loss	Total
	£000	£000	£000	£000	£000	£000
At 1 January 2016	**2,247**	**(10)**	**(2,246)**	**54**	**(687)**	**(642)**
Loss for the year	-	-	-	-	(3,102)	(3,102)
Exchange differences	-	186	-	-	-	186
Total comprehensive loss for the year	**-**	**186**	**-**	**-**	**(3,102)**	**(2,916)**
Transaction with owners						
Issuance of shares on capital restructuring	11,200	-	(9,500)	-	-	1,700
Issuance of shares	1,408	-	-	-	-	1,408
issuance costs	(15)	-	-	-	-	(15)
As at 31 December 2016	**14,840**	**176**	**(11,746)**	**54**	**(3,789)**	**(465)**
Loss for the year	-	-	-	-	(790)	(790)
Exchange differences	-	4	-	-	-	4
Total comprehensive loss for the year	-	4	-	-	(790)	(786)
As at 30 June 2017	**14,840**	**180**	**(11,746)**	**54**	**(4,579)**	**(1,251)**

The notes to the financial statements form an integral part of these interim financial statements.

Condensed consolidated statement of cash flows

for the six months ended 30 June 2017

	6 months ended 30 June 2017 £000	6 months ended 30 June 2016 £000
Cash flows from operating activities		
Loss before taxation	(840)	(680)
Adjustments for:		
Depreciation and amortization	36	5
Interest expenditure	48	28
Operating cash flow before changes in working capital	(756)	(647)
Movement in trade and other receivables	(192)	18
Movement in trade and other payables	88	150
Net cash flow from operating activities	(1,076)	(479)
Investing activities		
Purchase of property, plant and equipment	(3)	-
Net cash flow from investing activities	(3)	-
Issue of shares	-	500
Debt financing	1,262	-
Net cash flow from financing activities	1,262	500
Net increase in cash and cash equivalents	183	21
Cash and cash equivalent at the beginning of the year	22	19
Effect of exchange rate fluctuations on cash held	1	16
Cash and cash equivalents at the end of the year	206	56

The notes to the financial statements form an integral part of these interim financial statements.

Notes to the financial statements
for the six months ended 30 June 2017

1. General information

Healthperm Resourcing Ltd is a company which was incorporated in Singapore on 12 November 2004. The address of the Company's registered office is 400 Orchard Road, #20-05 Orchard Towers, Singapore 238875.

The comparative financial information for the year ended 31 December 2016 is not the Group's full annual accounts for that period but has been derived from the non-statutory financial statements for that period. The auditors' report on those accounts was unqualified and did not include references to any matters to which the auditors drew attention by way of emphasis without qualifying their report.

The principal activity of the Group is the recruitment of nurses, doctors and allied healthcare professionals into the United Kingdom and the Middle East healthcare systems.

The consolidated financial statements are presented in Pounds Sterling ("£") and rounded to the nearest thousand ("£'000"). Pounds Sterling is the currency of the primary economic environment in which the Healthperm Group operates. The Directors have chosen to present financial information in Pounds Sterling due to the international exposure and shareholders of the entity.

2. Summary of significant accounting policies

(a) Basis of preparation

The unaudited interim financial statements for the six months ended 30 June 2017 have been prepared in accordance with International Accounting Standard ("IAS") No. 34 "Interim Financial Reporting". These interim financial statements do not include all the notes of the type normally included in an annual report. These interim financial statements should not be read in conjunction with the Company's non-statutory financial statements for the year ended 31 December 2016, and any public announcements made by the Company during the interim reporting period. The non-statutory financial statements for the year ended 31 December 2016 were prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted for use by the European Union and the accounting policies applied in these interim financial statements are consistent with the polices applied in the non-statutory financial statements for the year ended 31 December 2016 unless otherwise noted.

In preparing these unaudited interim financial statements, the significant judgements made by the management in applying the Group's accounting policies and the sources of estimates of uncertainty were consistent as those applied to the 2016 non-statutory financial statements.

These unaudited consolidated financial statements have been reviewed by the Group's auditors, Crowe Clarke Whitehill and were authorised for issue by the Company's Board of Directors on 28 September 2017.

(b) Going concern

The interim financial statements has been prepared on a going concern basis, notwithstanding the loss for the period ended 30 June 2017. The Directors have taken steps to ensure that they believe the going concern basis of preparation remains appropriate. The key conclusions are summarised below.

The Group's ability to continue as a going concern is reliant upon continuing shareholders support or successfully obtaining alternative means of funding as it moves towards self-sustainability and to finance its on-going expansion. 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 these financial statements. On 28 September 2017 the Company authorised to increase the issuance of loan notes from £1.8 million to £3.0 million, at the same time David Sumner also agreed to increase his subscription to which he has irrevocably agreed to subscribe under a loan note facility from £1.8 million to £3.0 million, that funding to be available in maximum tranches of £150,000 per month subject to the company's working capital requirements. The loan facility is repayable on or before 31 December 2018

Following this assessment, 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 the consolidated financial statements.

3. Segment Reporting

The Group applies IFRS 8 Operating Segments. Per IFRS 8 operating segments are based on internal reports about components of the group, which are regularly reviewed and used by the Board of Directors being the Chief Operating Decision Maker ("CODM") for strategic decision making and resource allocation, in order to allocate resources to the segment and to assess its performance. The Directors considers there to be only one operating segment, the recruitment of healthcare professional workers and only three geographical segments being the United Kingdom, the United Arab Emirates and the Republic of the Philippines.

	2017				
Segment	**United Kingdom**	**United Arab Emirates**	**Republic of the Philippines**	**Republic of Singapore**	**Total**
	£000	£000	£000	£000	£000
Revenue	57	15	31	-	103
Non-current assets	374	-	65	-	439

	2016				
Segment	**United Kingdom**	**United Arab Emirates**	**Republic of the Philippines**	**Republic of Singapore**	**Total**
	£000	£000	£000	£000	£000
Revenue	-	-	-	-	-
Non-current assets	411	-	20	-	431

4. Taxation and deferred tax

Recognised in the income statements

	2017	2016
	£000	£000
Corporation tax	-	-
Deferred tax		
- Movement in deferred tax assets	45	51
- Movement in deferred tax liabilities	5	-
	50	**51**

The Group's principal trading entity, Green Sky Innovations DMCC ("GSI"), is resident for tax purposes in the UAE.

GSI's activities in the UAE are subject to zero corporation tax rate for at least 50 years on the grounds that GSI was incorporated in the DMCC (the Dubai Multi Commodities Centre free zone) on 23 February 2010. On this basis, no deferred tax asset has been recognised in respect of the tax losses of GSI.

Deferred tax asset	**At 30 June 2017**	**At 31 December 2016**
	£000	£000
Balance as at 1 January	160	94
Movement during the year		
- Timing difference attributable to tax losses	45	62
Foreign exchange difference	(4)	4
	201	**160**

Deferred tax liability

The Group recognised a deferred tax liability on the recognition of the Customer Relationships intangible asset arising on the acquisition of Healthperm Limited in 2015 as follows:

	At 30 June 2017	**At 31 December 2016**
	£000	£000
Balance as at 1 January	**(41)**	**(51)**
Movement during the year	**5**	**10**
Balance as at 31 December	**(36)**	**(41)**

5. Intangible assets

Intangible assets comprise of the customer relationship and computer software. The amortisation charge for the period was approximately £35,000 and (2016: £35,000).

6. Share capital

	Number of shares	Share capital £000
Issued and fully paid:		
Balance at 1 January 2015 and 31 December 2015	30,000,010	2,247
Balance after share consolidation	659,340	2,247
Shares issued to acquire HPR.UK	7,459,193	11,200
Shares issued to satisfy payment of fees	356,316	1,133
Issued during the year	183,331	275
Less: issuance costs	-	(15)
At 31 December 2016 and 30 June 2017	**8,658,180**	**14,840**

The rights of the holders of the Company shares are equal in all respects and include the following:

a. to vote at any meeting of shareholders of the corporation;
b. to receive any dividend declared by the corporation; and
c. to receive the remaining property of the corporation on dissolution.

Under the share consolidation which took effect on 23 September 2016 every 91 existing ordinary shares of no par value each ("Existing Ordinary Shares") were consolidated into two new ordinary shares of no par value each ("New Ordinary Shares") (the "Share Consolidation"). Accordingly, the proportion of New Ordinary Shares held by each Existing Shareholder immediately before the Share Consolidation was the same as the proportion of New Ordinary Shares held by each existing shareholder immediately after the Share Consolidation. The New Ordinary Shares totalling 659,340 carry the same rights as those attaching to the 30,000,010 Existing Ordinary Shares.

On 23 September 2016, the Company acquired the entire issued share capital of Healthperm Resourcing (UK) Limited ("HPR.UK"), which resulted in the Company becoming an operating company instead of an investing company, and constituted a reverse takeover. The consideration comprised of 7,459,193 New Ordinary Shares issued to the HPR.UK shareholders at a price of £1.50 per ordinary share, amounting to £11,200,000.

In the same period, the company further issued 539,647 New Ordinary Shares for £810,000, being £275,000 funds on listing and £535,000 to satisfy payment of fees.

As 30 June 2017, the Company had no share option scheme.

7. Debt

The Group has the following interest bearing loans:

	2017	2016
	£000	£000
2018 Loan Notes	1,633	371
	1,633	**371**

(a) 2018 Loan Notes issued by Healthperm Resourcing (UK) Limited

On 10 September 2015 Healthperm Resourcing (UK) Limited authorised the issuance of up to £1,000,000 of loan notes (the "Loan Notes") with principal conditions of:

- Term date of 30 June 2018
- Interest at 10% per annum, paid on Term
- Loan Notes are redeemable by the Issuer and non-convertible by the Note Holder
- The Loan Notes have "Reserved Matters" consent rights.

The loan notes are denominated in Sterling. The fair value of the loan notes approximates their carrying value.

At 31 December 2016, a total of £371,016 was due under the Loan Notes, which comprised of £365,574 principal and £5,442 accrued interest.

At 30 June 2017, a total of £1,633,226 was due under the Loan Notes, which comprised of £1,550,739 principal and £82,487 accrued interest.

On 28 September 2017 Mr. Sumner agreed to increase the maximum amount of loan notes for which he irrevocably agreed to subscribe to £3.0 million. The remaining terms of the Loan Note Agreement are unchanged.

8. Loss per share

	2017	2016
Profit (loss) for the year (£000)	(790)	(629)
Weighted average number of ordinary shares	8,658,180	8,658,180
Loss per ordinary share - basic and diluted	9.12 pence	7.26 pence

Basic loss per share is based on the weighted average number of ordinary shares in issue during the year. Diluted loss per share would assume conversion of all potentially dilutive ordinary shares. The Group has no potentially dilutive ordinary shares. The consolidated financial statements represents the historical information prior to a group reorganisation on 23 September 2016 as described above in the basis of consolidation in Note 2, whereby the Company became the parent company of the Healthperm Group. It is of limited significance to calculate earnings per share on the historical equity of the companies forming the Group reorganisation.

Accordingly, a pro forma loss per share has been included based on the relevant number of shares in Healthperm following the group reorganisation.

9. Subsequent events

On 28 September 2017 the Board authorised an increase of issuance of Loan Notes up to £3.0 million, and Mr. Sumner agreed to increase the maximum amount of loan notes for which he irrevocably agreed to subscribe to £3.0 million.

The Directors have evaluated subsequent events through 28 September 2017, which is the date the consolidated financial statements were available to be issued. There were no subsequent events that required adjustment to or disclosure in the consolidated financial statements except as described above.

10. Copies of the interim report

Copies of this interim report are available on the Company's website at www.healthperm.com and from the Company's registered office, 400 Orchard Road, #20-05 Orchard Towers, Singapore 238875.