Dissemination of a Regulatory Announcement that contains inside information according to REGULATION (EU) No 596/2014 (MAR).

Boxhill Technologies PLC
("Boxhill" or the "Company" or the “Group”)

Half-Yearly Report for the period ended 31 July 2018

29 January 2019

Chairman's Statement

For the half year to 31 July 2018 the Group incurred a profit before tax of £2,793,000, including an operating loss from continuing operations of £668,000 (H1 17: £310,000 year to 31 January 2018: £720,000). This figure includes the exceptional profit on disposal of the Emex businesses to MDC Nominees Limited. This is comprised of the consideration of £2,000,000, combined with the net assets disposed of and liabilities derecognised.

As announced on 28 March 2018, the Company established a new subsidiary, Market Access, whose initial focus was on foreign exchange and treasury services. Market Access became authorised as an "EMD Agent" under the rules of the Financial Conduct Authority with effect from 9 May 2018 and is thus authorised to undertake payment processing services.

The Group has been actively engaged in providing payment services for non-mainstream eCommerce businesses, notably those involved in online gambling activities, since first entering the payment services business in 2013. During the half year to 31 July 2018, the Group encountered rapidly increasing difficulties in the transacting of payments involving non-mainstream eCommerce merchants in certain jurisdictions ("Non-Conforming Customers"), with a growing list of its partner banks and other financial institutions, following recent regulatory changes, and in turn, this is having a negative impact on its banking and payment relationships relating to other merchants.

This resulted in reduced revenue revenue relating to payment processing compared with the average for the period October 2017 to January 2018 of £120,000 per month. As a result, 30 July 2018, the business undertook a re-structuring of the Group with the separation of the provision of payment services to Non-Conforming Customers from the rest of the Group through the sale of Emex (UK) Group Limited, Emexconsult Limited and Emex Technologies Limited to MDC Nominees Limited.

During 2018, the Board demonstrated its commitment to resolving the operational challenges faced through the year to 31 January 2018 and also the issues highlighted by the suspension in shares in August 2018.

The Board has embarked on a programme of improvements across the entire business, with a focus on control, agility and delivery. There are immediate and planned changes to The Board, the first of which are two executive appointments. Furthermore, the Company is moving all operational controls into the UK and a new operational office is being established in London, with improved facilities and space so that all operations can be based in one place.

Reorganisation of the payments business following the sale of the Emex Group has involved a refocus on more mainstream clients and markets within Market Access Limited ("Market Access"). This finds the payments business in a more competitive arena, where margins are lower, and this is reflected in the first half results. The reduction in revenues reported to the market on 12 July has continued at the same level while the reorganisation continues, with further declines in payment processing being offset by a rise in foreign exchange business. However, we believe that in the long term the reorganisation will enable us to produce a growth pattern that is more stable than we have seen in the past.

Further information relating to the Group re-organisation and re-structure can be found in the Strategic Report of the Company accounts for the year to 31 January 2018, which have been released concurrently with this half-year report.

The Right Honourable Lord E T Razzall CBE
Executive Chairman

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Notes to editors:

Boxhill Technologies PLC (AIM: BOX) is an AIM quoted lottery, software, gaming and leisure company.

Boxhill has a range of ecommerce products that suit all merchants' and customers' needs enabling secure payments. The Company works within both regulated frameworks and in regions where traditional partners struggle to offer safe, secure services.

In addition, Boxhill operates the Weather Lottery, which has been in operation since 2002 and the Company holds one of the limited number of UK external lottery manager's licences. Over £5.4 million has been raised to date for good causes and the lottery has paid over £4.9 million in prizes to winners.

Boxhill also has a joint venture agreement via Soccerdome Ltd operating a five a side football complex in Nottingham.

CONDENSED CONSOLIDATED INCOME STATEMENT

	Notes	6 month Period ended 31-Jul 2018 (unaudited) £'000	6 month Period ended 31-Jul 2017 (unaudited) £'000	12 month Ended 31-Jan 2018 (audited) £'000
Continuing Operations:				
Revenue		**550**	233	458
Cost of Sales		**(124)**	(127)	(243)
Gross Profit		**426**	106	215
Administrative expenses		**(1,093)**	(416)	(935)
Operating profit before exceptional items		**(666)**	(310)	(720)
Finance expenses/(interest income)		**(2)**	-	-
Exceptional profit on sale on sale of subsidiaries		**3,699**	-	-
Profit before taxation		**3,031**	(310)	**(720)**
Taxation		**-**	-	-
Profit for the period from continuing operations		**3,031**	(310)	(720)
Profit for the period from discontinued operations	4	**(238)**	(48)	(1,031)
Revaluation of equity investment		**-**	-	(58)
Revaluation of intangible asset on acquisition		**-**	499	-
Total comprehensive income		**2,793**	141	(1,809)
PROFIT/(LOSS) PER SHARE				
Basic (loss)/profit per ordinary share	2	**0.11p**	(0.00)p	(0.08)p
Fully diluted (loss)/profit per ordinary share		**0.11p**	(0.00)p	(0.08)p

There are no recognised income or expenses other than the loss for the period.

CONDENSED CONSOLIDATED BALANCE SHEET

	Notes	As at 31-Jul 2018 (unaudited) £'000	As at 31-Jul 2017 (unaudited) £'000	As at 31-Jan 2018 (audited) £'000
ASSETS				
Non-current assets				
Property, plant and equipment		**3**	2	29
Goodwill		**158**	1,673	1,673
Intangible assets		**1,762**	1,715	2,037
10-year loan notes		**2,000**	-	-
Investments in Equity Instruments		**222**	280	222
		4,145	3,670	3,961
Current assets				
Trade and other receivables		**1,465**	3,226	3,225
Cash and cash equivalents		**1,050**	461	2,151
		2,515	3,687	5,376
Total Assets		**6,660**	7,357	9,337
LIABILITIES				
Current liabilities				
Trade and other payables		**1,212**	3,710	7,142
Bank and other borrowings		**6**	6	6
		1,218	3,716	7,148
Non-current liabilities		**-**	-	-
		1,218	3,716	7,148
Total Assets/(Liabilities)		**5,442**	3,641	2,189
EQUITY				
Capital and reserves attributable to equity holders				
Called up share capital	3	**2,816**	2,356	2,356
Share premium account		**4,019**	3,520	4,019
Revaluation reserve		**222**	280	222
Retained earnings		**(1,615)**	(2,516)	(4,408)
Total equity		**5,442**	3,641	2,189

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital £'000	Share Premium £'000	Revaluation Reserve £'000	Retained Earnings £'000	Total £'000
Balance at 1 February 2017	**1,856**	**3,020**	**280**	**(2,657)**	**2,499**
Issue of new shares in the period	500	500	-		1,000
Operating profit for the period	-	-	-	(358)	(358)
Valuation of investment - Timegrand	-	-	-	499	499
Balance at 31 July 2017	**2,356**	**3,520**	**280**	**(2,516)**	**3,641**
Valuation of investment - Timegrand	-	499	-	(499)	-
Revaluation of investment in equity instrument – Soccerdome	-	-	(58)	-	(58)
Loss for the period	**-**	-	-	(1,394)	(1,394)
Balance at 31 January 2018	**2,356**	**4,019**	**222**	**(4,408)**	**2,189**
Issue of new shares in period	460	-	-	-	460
Loss for the period from continuing operations	-	-	-	(668)	(668)
Loss for the period from discontinued operations	-	-	-	(238)	(238)
Exceptional profit on sale of subsidiaries	-	-	-	3,699	3,699
Balance at 31 July 2018	**2,816**	**4,019**	**222**	**(1,615)**	**5,442**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Notes	6 month Period ended 31-Jul 2018 (unaudited) £'000	6 month Period ended 31-Jul 2017 (unaudited) £'000	12 month ended 31-Jan 2018 (audited) £'000
Net cash generated from/ (used in) continuing operations	5	**3,449**	(246)	(33)
Interest and financing costs		**-**	-	-
Tax paid		**-**	-	-
Net cash (used by)/generated from operating activities		**3,449**	(246)	(33)
Net cash (used by)/generated from discontinued operating activities	5	**(4,729)**	40	1,988
Net cash (outflow) from operating activities		**(1,280)**	(206)	1,955
Cash flow from investing activities:				
Acquisition of property plant and equipment		-	(1)	(30)
Purchase of intangible assets		**-**	(150)	(5)
Development expenditure		**-**	-	(587)
Disposal of assets to MDC Nominees		**179**	-	-
Net cash (used in) continuing investing activities		**179**	(151)	(622)
Net cash from financing activities		**-**	-	-
(Decrease)/increase in cash and cash equivalents:				
(Decrease)/increase in cash and cash equivalents		**(1,101)**	(357)	1,333
Cash and cash equivalents at beginning of period		**2,151**	818	818
Cash and cash equivalents at end of period		**1,050**	461	2,151
Comprising of:				
Cash and cash equivalents per the balance sheet		**1,050**	461	2,151
Less:				
Bank overdraft		**-**	-	-

Cash and cash equivalents for cash flow statement purposes	**1,050**	461	2,151

NOTES TO THE INTERIM FINANCIAL REPORT

1. Accounting policies

Basis of Accounting and Preparation

These interim results for the six months ended 31 July 2018 have been prepared using the historical cost and fair value conventions on the basis of the accounting policies set out below. This interim report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), it is not in accordance with IAS 34 and therefore is not fully compliant with IFRS.

These interim results have been prepared under the historical cost convention. Areas where other bases are applied are identified in the accounting policies below.

The financial information set out in this interim report does not constitute statutory accounts as defined in the Companies Act 2006. The Company's statutory financial statements for the year ended 31 January 2018 have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified with a material uncertainty relating to going concern.

This announcement contains certain forward-looking statements with respect to the operations, performance and financial position of the Group. By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. The forward-looking statements reflect knowledge and information available at the date of the preparation of this announcement and the Company undertakes no obligation to update these forward-looking statements. Nothing in this Interim Financial Report should be construed as a profit forecast.

The results for the six months ended 31 July 2018 were approved by the Board on 29 January 2019.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 January and 31 July each year. Control is achieved where the Company has the power to govern the financial and operating policies so as to obtain benefits from its activities.

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.

Business combinations

All business combinations are accounted for by applying the acquisition method. Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

the fair value of the consideration transferred; plus

the recognised amount of any non-controlling interests in the acquiree; plus

the fair value of the existing equity interest in the acquiree; less

the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Where fair values are estimated on a provisional basis they are finalised within 12 months of acquisition with consequent changes to the amount of goodwill.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Intangible assets

Expenditure on research activities is recognised in the income statement as an expense as incurred.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group intends to and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Group can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Expenditure on internally generated goodwill and brands is recognised in the income statement as an expense as incurred.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Licences, patents and trademarks	25 years
Software	3 to 10 years

In addition to amortisation, at each balance sheet date the Group reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is the higher of fair value less costs to sell and value in use. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

Financial instruments

Financial assets and financial liabilities are recognised on the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Goodwill

Goodwill arising on consolidation represents the excess cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition. Goodwill is initially recognised as an asset and reviewed for impairment at least annually. Any impairment is recognised immediately in the income statement and is not subsequently reviewed.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment in the investee.

Revenue recognition

Revenue is recognised when the service is rendered:

- Lottery business revenue represents takings received for entry into the lottery prize draws. Revenue is recognised on the date that the draw takes place.
- Football pitch revenue represents cash takings received for pitch bookings, recognised on the day of use by the customer.
- Payment processing revenue represents the consideration received or receivable from the merchants for services provided. Key revenue streams the company reports are transaction service charges that relate to services provided to process transactions between the customer and an

acquiring bank, which is a bank that accepts card payments from the card-issuing banks. Revenue is recognised when the transactions are successfully processed and is recognised per transaction. Process fees are charged per transaction for providing gateway services.
- Digital wallet revenue is recognised at the point when a chargeable transaction occurs.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised accumulated impairment losses. Useful lives are reviewed annually by the Directors.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Leases in which the Group assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. The estimated useful lives are as follows:

- office equipment 4 years
- vehicles 5 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Leased assets
Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

Finance lease payments
Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Financing income and expenses
Financing expenses comprise interest payable and finance charges recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the income statement (see foreign currency accounting policy. Financing income comprise interest receivable on funds invested, dividend income, and net foreign exchange gains.
Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity’s right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Impairment of tangible and intangible assets excluding goodwill

The carrying amounts of the Group's non-financial assets, other than investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Foreign currencies

The individual financial statements of each Group company are prepared in the currency of the primary economic environment in which it operates (its functional currency). For the purposes of the consolidated financial statements, the results and financial position of each Group company are expressed in Pounds Sterling, which is the functional currency of the parent company, and the presentational currency for the consolidated Financial statements.

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

Share based payments

Share-based payment arrangements in which the Group receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the Group.

The grant date fair value of share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The fair value of the options granted is measured using an option valuation model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Share-based payment transactions in which the Group receives goods or services by incurring a liability to transfer cash or other assets that is based on the price of the Group's equity instruments are accounted for as cash-settled share-based payments. The fair value of the amount payable to employees is recognised as an expense, with a corresponding increase in liabilities, over the period in which the employees become unconditionally entitled to payment. The liability is remeasured at each balance sheet date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expense in profit or loss.

Other than for business combinations, the only share based payments of the Group are equity settled share options and certain liability settlements. The Group has applied the requirements of IFRS 2 - Share-based Payments.

For share options granted an option pricing model is used to estimate the fair value of each option at grant date. That fair value is charged on a straight line basis as an expense in the income statement over the period that the holder becomes unconditionally entitled to the options (vesting period), with a corresponding increase in equity.

For shares issued in settlement of fees and/or liabilities, the Directors estimate the fair value of the shares at issue date and that value is charged on a straight line basis as an expense in the income statement (for fees) or reduction in the balance sheet liability (for liabilities) with a corresponding increase in equity.

Inventories
Inventories are stated at the lower of cost and net recognised value. Cost comprises direct materials using the first in first out (FIFO) basis. Net recognised value represents the estimated selling price less estimated costs of completion, marketing and selling.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Trade receivables
Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit and loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate compound at initial recognition.

Trade receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Investments in debt and equity securities

Investments in debt and equity securities held by the Group are classified as being available-for-sale and are stated at fair value, with any resultant gain or loss being recognised directly in equity (in the fair value reserve), except for impairment losses and, in the case of monetary items such as debt securities, foreign exchange gains and losses. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

Financial instruments held for trading or designated upon initial recognition are stated at fair value, with any resultant gain or loss recognised in profit or loss.

Investments in debt and equity securities whose fair value cannot be reliably measured are stated at amortised cost less impairment.

Financial liability and equity
Financial liabilities are classified according to the substance of the contractual agreements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recognised at the amount of proceeds received net of costs directly attributable to the transaction. To the extent that those proceeds exceed the par value of the shares issued they are credited to a share premium account.

Bank borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Trade payables
Trade payables are not interest-bearing and are stated at their nominal value.

Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

2. Earnings per ordinary share

The calculation of basic earnings per share and diluted earnings per share is based on the results and weighted average number of ordinary shares as follows:

	6 month Period ended 31-Jul 2018 (unaudited)	6 month Period ended 31-Jul 2017 (unaudited)	12 month ended 31-Jan 2018 (audited)
Attributable to equity	**2,793**	141	(1,751)
Weighted average number of ordinary shares:			
Basic	**2,654,163,103**	2,147,496,437	2,272,496,437

On 31 January 2016 the Company issued £1.6m of 0% unsecured, undated, convertible loan stock which converted into 400,000,000 Ordinary Shares and were allotted to loan stock holders on 7 June 2016 and were admitted to trading on AIM on 15 June 2016. The shares were consideration for the acquisition of Emex (UK) Group Limited, and the associated company, Freepaymaster Limited (collectively, "Emex").

On 10 April 2017, the Company acquired all of the ordinary shares in Timegrand Limited for £1,000,000 satisfied in full by the issue of 500,000,000 ordinary shares of 0.1p nominal each in the Company with a consideration value of 0.2p per share.

On 23 April 2018 new shares totalling 410,000,000 Ordinary Shares of 0.1 pence each ("Ordinary Shares") were issued in settlement of amounts invoiced from key management personnel. In addition, 60,000,000 share options were granted to Directors and key management.

On 9 May, new shares totalling 50,000,000 Ordinary Shares of 0.1 pence each were issued in settlement of invoices for consultancy fees totalling £50,000 from Nineteen Twelve Management Limited, a company controlled by James Rose.

3. Share capital

	As at 31-Jul 2018 £'000	As at 31-Jul 2017 £'000	As at 31-Jan 2018 £'000
Issued and fully paid: 2,355,829,770 ordinary shares of 0.1p each	**2,816**	2,356	2,356

4. Profit and loss of discontinued operations

	Period ended 31-Jul 2018 £'000	Period ended 31-Jul 2017 £'000	Period ended 31-Jan 2018 £'000
Revenue	**119**	326	909
Cost of Sales	**-**	-	(210)

Gross Profit	**119**	326	699
Administrative expenses	**(357)**	(374)	(1,730)
Operating profit before exceptional items	**(238)**	(48)	(1,031)
Finance expenses/(interest income)	**-**	-	-
Profit before taxation	**(238)**	(48)	(1,031)
Taxation	-	-	-
Profit for the period from discontinued operations	(238)	(48)	(716)

5. Assets disposed and liabilities derecognised at the date of disposal (prior year)

	Emex* **£'000**
Goodwill	1,515
Property, Plant & Equipment	24
Intangible Assets	179
Cash and cash equivalents	152
Trade and other receivables	3,308
Trade and other payables	(6,877)
Net liabilities derecognised	**(1,699)**

	£'000
Consideration received**	2,000
Plus: carrying value of net liabilities disposed	1,699
Gain on sale of disposed subsidiaries	**3,699**

*Emexconsult Limited, Emex Technologies Limited and Emex Group (UK) Limited.
****** Payment is by way of the establishment of a sinking fund into which the net revenues of Emex resulting from the customers left in place at the time of the transaction or any new Non-Conforming Customers referred by Market Access shall be transferred on a monthly basis and used for general working capital purposes and any balance outstanding at the end of 10 years, after the above sinking fund has been extinguished, by MDC Nominees Limited.

6. Cash used in continuing operations

	Period ended 31-Jul 2018 £'000	**Period ended 31-Jul 2017 £'000**	**Period ended 31-Jan 2018 £'000**
Profit/(Loss) attributable to equity holders	**3,031**	(310)	(720)
Finance costs	**2**	-	-
Finance income	**-**	-	-
Depreciation, amortisation and impairment	**86**	1	116
Exceptional profit on sale of subsidiaries	**(3,699)**		
Decrease/(increase) in debtors	**(2,179)**	(68)	1,524
(Decrease)/increase in creditors	**2,510**	131	(953)

Cash generated from/ (used in) continuing operations	**(3,449)**	(246)	(33)

7. Cash used in discontinued operations

Profit/(Loss) attributable to equity holders	**(238)**	(48)	(1,031)
Finance costs	**-**	-	-
Finance income	**-**	-	-
Depreciation, amortisation and impairment	**8**	1	6
Tax credit	**-**	-	**-**
Decrease/(increase) in debtors	**3,940**	(1,209)	(2,799)
(Decrease)/increase in creditors	**(8,439)**	1,296	5,812
Cash generated from/ (used in) discontinued operations	**(4,729)**	40	1,988

Cashflow figures include changes in debtors and creditors as a result of disposal of assets and derecognition of liabilities on the disposal of Emex to MDC Nominees Limited.

8. Transactions with related parties

The transactions set out below took place between the Group and certain related parties.

Lord E T Razzall
Lord E T Razzall, a director, charged the Group £12,000 (six months ended Jul 2017: £12,000; twelve months ended Jan 2018: £24,000) in the period, for directorship services provided, via an entity trading as R T Associates. At the period end R T Associates was owed £1,400 (Jul 2017: £29,400; Jan 2018: £17,932).

Andrew J A Flitcroft
Andrew Flitcroft, a director, charged the Group £16,500 (six months ended Jul 2017 £16,500; twelve months ended Jan 2018: £33,000) in the period, for directorship and company secretarial services provided, via an entity FS Business Limited. At the period end FS Business Limited was owed £33,650 (Jul 2017: £69,450; Jan 2018: £77,250).

Philip I Jackson and John M Botros
John Botros was appointed as a Director of Phillite D UK Limited on 27 December 2017.
Philip Jackson resigned as a Director of Phillite D UK Limited on 2 January 2018.

During the period the Group earned net fees from the provision of services to Group clients by PhilliteD UK Limited of £nil (six months ended Jul 2017 £nil; twelve months ended Jan 2018: £nil).

Phillite D UK Limited performed regulated services on behalf of the Group between December 2014 and November 2016, which gave the Group the regulatory authorisation to perform payment processing. The revenue recognised and costs associated with this processing was reflected within the parent company (Boxhill Technologies Plc). Between November 2016 and July 2018, Phillite D UK Limited's services were undertaken within the Group by Emex Technologies Limited which obtained the necessary Financial Conduct Authority licences in May 2016.

In the year to 31 January 2018, the Company launched a high value transfer service facilitating transactions in excess of €10,000,000 for corporate and individual customers (“HVTS”). The development of HVTS has involved substantial investment. It was agreed that part of this investment would be funded by Phillite D UK Limited ("PDU"), a company which between December 2014 and November 2016 undertook certain regulated payment processing activities on behalf of the Group. PDU markets HVTS to its clients as part of its offering of payment services, charging fees independently and not receiving any share of the Processing Fees. PDU's share of the investment costs, £1,600,000 will be met from future receipts secured by PDU on HVTS transactions where PDU will in some circumstances be acting as the principal and other circumstances as an agent. PDU's share of the investment costs are currently represented on the Boxhill balance sheet as a trade receivable (the "Agreement").

As at 31 January 2018, the Group was owed £2,820,544 from Phillite D UK Limited (31 January 2017: £1,767,536), the increase reflecting the costs of the HVTS, less amounts paid back to the Group. The services provided to the Group's clients by Phillite D UK Limited were at cost to the Group with no profit or uplift being made by Phillite D UK Limited.

Also, included within prepayments is £301,000 relating to the historic legal matters surrounding the Company's relationship with its former regulated payment processor, EUPay Group Limited ("EUPay") which has now been settled. Phillite D UK Limited has independently of the Company taken responsibility for the amounts owed by EUPay to the Group.

On 30 July 2018, the ownership of the HVTS was transferred to MDC Nominees Limited, along with the amounts owing from Phillite D UK Limited, as part of the wider sale of the Emex companies and company restructure.

At the period end the Group was owed £980,643 from PhilliteD UK Limited (Jul 2017: £2,955,392; Jan 2018: £2,820,544).

In addition, John Botros, a director of Emexconsult Limited, Emex Technologies Limited, Emex (UK) Group Limited, Soccerdome Limited and Market Access Limited, charged the Group £12,000 (six months ended Jul 2017: £nil, twelve months ended Jan 2018: £3,000) in the period, for Legal services provided, via St James Chambers. In addition, John Botros was awarded shares totalling 260,000,000 in settlement of amounts invoiced:

- St. James Street Chambers in relation to the legal work involved in the integration of Timegrand Limited with the newly established Market Access in February 2018 and post-acquisition dealings with the Gambling Commission for a total consideration of £100,000.
- Bluedale Corporate Limited in relation to the corporate finance work involved in the establishment of Market Access Limited (announced on 28 March 2018) and post-establishment activities for a total consideration of £160,000. Bluedale is a company controlled by John Botros.

At the period end St James Chambers was owed £6,000 (Jul 2017: £10,000; Jan 2018: £14,000).

Clive Hyman

Clive Hyman, a Non-Executive director, charged the Group £10,000 (six months ended Jul 2016: £10,000; twelve months ended Jan 2017: £20,000) in the period, for directorship services provided, via an entity trading as Hyman Capital Limited. At the period end Hyman Capital Services Limited was owed £nil (Jul 2017: £10,000; Jan 2018: £14,000).

James Rose

James Rose is a director of Prize Provision Services Limited ("PPSL") a wholly owned subsidiary of Boxhill Technologies PLC. During the period James Rose charged PPSL £30,000 for consultancy services via an entity 1912 Management Limited (six months ended Jul 2017: £30,000; twelve months ended Jan 2018: £60,000). At the period end 1912 Management Services Limited was owed £88,200 (Jul 2017: £145,700; Jan 2018: £141,200).

9. Interim Financial Report

The unaudited interim financial report, which is the responsibility of the directors and was approved by them on 29 January 2019, does not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006.

This report is available on Boxhill Technologies PLC's website at www.boxhillplc.com. Copies are available from the Company at its registered office:

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