The information contained within this announcement is deemed by the Group to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR"). Upon the publication of this announcement via a Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain.

XPEDIATOR PLC

(“Xpediator”, the “Company” or the “Group”)

INTERIM RESULTS
FOR THE SIX MONTHS TO 30 JUNE 2018

Xpediator Plc (AIM: XPD), a leading provider of freight management services across the UK and Europe, is pleased to announce its unaudited interim results for the six months ended 30 June 2018.

	Statutory Results			Underlying Results [3]		
	H1 2018	**H1 2017**	**Change[4]**	**H1 2018**	**H1 2017**	**Change**
Revenue	£78.9m	£49.1m	**60.7%**	£63.7m	£49.1m	**29.8%**
Operating Profit	£2.3m	£1.0m	**132.9%**	£1.6m	£1.0m	**60.7%**
Earnings	£1.7m	£0.5m	**212.9%**	£1.0m	£0.5m	**81.7%**
EPS	1.29p	0.50p				
Adjusted Operating Profit[1]	£2.1m	£1.4m	**44.2%**	£1.9m	£1.4m	**30.6%**
Adjusted Earnings[2]	£1.4m	£1.0m	**33.7%**	£1.2m	£1.0m	**18.4%**
Adjusted EPS[2]	1.06p	1.10p	**(3.6)%**			
Net Cash from (used in)/operating activities	£(0.1)m	£1.9m	**(106.3)%**			
Dividend per share (pence)	0.42p	0.347p	21.0%			

1: Adjustment for one-off costs incurred in H1 2018 comprise £91,000 of costs of acquisition relating to Anglia Forwarding Group Limited, £361,000 amortisation and the net impact of transactions relating to Benfleet totalling £747,000. In H1 2017, the Group incurred costs associated with the group restructure and AIM IPO of £331,000, goodwill amortisation of £88,000. Adjusted Earnings is inclusive of the profit from non-controlling interests of £132,000 (2017 - £105,000).

2: Adjustment for one-off costs incurred in H1 2018 comprise £91,000 of costs of acquisition relating to Anglia Forwarding Group Limited, £17,000 non cash interest charges, £361,000 amortisation and the net impact of transactions relating to Benfleet totalling £747,000. In H1 2017, the Group incurred costs associated with the group restructure and AIM IPO of £331,000, goodwill amortisation of £88,000 and non cash interest charges of £86,000. Adjusted Earnings is inclusive of the profit from non-controlling interests of £132,000 (2017 - £105,000).

3: Underlying Results relates to a business that existed in the same period last year, and thus excludes all acquisitions acquired post 30 June 2017.

4: The percentages are calculated from movements in the Consolidated Income Statement using £000’s rather than £m.

Trading Highlights

- Group turnover increased by £29.8m of which £14.6m/49.0% was organic growth and £15.2m/51.0% came from acquisitions

- Strong turnover growth (versus H1 2017) and increased contribution from all three operating divisions (Freight Forwarding, Transport Solutions and Logistics):
  - Freight Forwarding division up 67.1%
  - Transport Solutions division up 36.0%
  - Logistics division up 35.7%

- Turnover generated in the UK increased to £28.8m/36.6% of total (H1 2017: £11.5m/23.5%) of which £2.1m was organic growth and £15.2m came from acquisitions, whilst CEE/non-UK turnover increased £12.5m/33.3% to £50.0m (H1 2017: £37.5m) which was entirely organic

- Particularly strong performance from Pall-Ex Romania now consistently achieving in excess of 45,000 pallets of freight per month (2017: 35,800 average freight per month)

- Following increased customs security checks across the continent, the development of Benfleet Forwarding Limited's ("Benfleet") Far Eastern business was affected. Whilst trading recently recommenced with a key customer, this has and will continue to impact Benfleet's profitability in 2018. The resultant impairment of goodwill was countered by a positive restructuring of the original acquisition terms.

- Successfully completed two further acquisitions being:

  - Anglia Forwarding Group Limited ("AFGL") in May 2018 for an initial net consideration of £1.5m with further consideration payable on the final net asset position on the completion and deferred consideration of up to £2.0m payable depending on future profits generated.
  - Import Services Limited ("ISL") post balance sheet date, for an initial net consideration of £9.0m with further consideration payable on the final net asset position on the completion and deferred consideration of up to £3.0m depending on future profits generated

- Appointment of Stuart Howard as Chief Financial Officer from 1 September 2018

- Pleasing start to H2 2018 with trading weighted as usual towards the second half and the Board remains confident of delivering full year results in line with market expectations

- Interim dividend increased 21.0% to 0.42 pence per share (H1 2017: 0.347 pence)

Alex Borrelli, Chairman, commented:

"The first half of 2018 has continued the progress made through 2017. All three divisions are growing well, underlying revenues have increased substantially, and demand for our freight management services across all our core markets is high.

"We continue to seek acquisitions in line with our strategy to add to our existing activities and facilitate our expansion internationally. During the period, we acquired AFGL, an international freight forwarding and courier business based in Essex, for up to £3.5 million in cash. In July, we acquired ISL for up to £12 million in a mixture of cash and shares, part financed through an over subscribed placing which raised £7 million, before expenses. ISL has a strong management team and has 40k sqm of warehousing in the Port of Southampton, representing a significant commercial opportunity for Group expansion, and we expect to benefit from operational and cross-selling opportunities.

The Group has now completed four acquisitions over the last 18 months and collectively they are expected to be significant drivers of sales and profit growth in the current year and beyond. Although the increasing customs security checks have affected the development of the Far East business within Benfleet, I am pleased with the positive steps taken to address this, which ultimately resulted in a one-off net credit to the Group's income statement of approximately £0.7m.

"Following the positive start to the year, the Board is pleased to announce an increased interim dividend in line with our progressive dividend policy and we remain confident in the outlook for our full year results for 2018."

An interview with Xpediator CEO, Stephen Blyth, discussing today's Interim Results with Vox Markets will be available today from 7.00am. To listen go to https://bit.ly/2NZ7Sms or visit the Company's account https://twitter.com/@Xpediator.

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About Xpediator:

Xpediator is a well-established international provider of freight management services. Established in 1988 by CEO Stephen Blyth today the Group's International network of offices provides road, sea and air freight services, together with logistics and warehousing in the UK and Romania. The business offers integrated freight management within the supply chain logistics and fulfilment sector, through their three main areas: freight forwarding, logistics & warehousing and transport solutions. With headquarters in Braintree, Essex and country offices in nine CEE countries across 31 sites, the Group currently employs 938 people and was successfully listed on London's AIM market in August 2017.

For more information, please visit: www.xpediator.com.

Alternatively, do follow us on Twitter at @Xpediator or find us on LinkedIn at Xpediator Plc.

CEO Statement

Introduction

This has been a successful period for the Group delivering substantial increases in revenues and profitability. Pleasingly, these increases have come in near equal measure from organic growth and contribution from the acquisitions we have made.

Equally importantly, this momentum has continued into the second half of 2018. Xpediator is trading in line with management expectations and is well placed to continue to expand.

Positioned for Growth

Established as a scalable, risk adjusted, platform to support an expanding portfolio of freight management companies across the UK and Europe with a particular expertise in Central and Eastern Europe ("CEE"), Xpediator has been successful in pursuing this objective. Over the last 12 months, the Group has grown substantially, increasing the number of active customers through a balance of strong organic growth and complementary acquisitions.

This growth has been supported by a positive market environment in which demand for transportation solutions has been high and we are confident this will continue. The very visible consumer switch from the high street to home deliveries has been a significant global factor in driving demand together with an increase in commercial activity across our core markets.

The Group has adopted an asset light business model to minimise risk. Operating on a comparatively low fixed cost base, no one customer represents more than 2% of Group turnover and revenues are spread over multiple geographies and market sectors thereby further reducing customer and market risk. This approach is replicated throughout the business and is key to ongoing scalability.

Increasing scale will continue to come from a healthy mix of organic and acquisition led growth. We have the ability to source capacity within our current structure to manage the forecast increase in demand and we continue to see opportunities to acquire complementary businesses which can fit within the Xpediator portfolio.

H1 2018 Trading

The Group generated revenues of £78.9m during the six months ended 30 June 2018 (H1 2017: £49.1m), adjusted operating profit of £2.1m (H1 2017: £1.4m) and unadjusted profit after tax of £1.7m (H1 2017: £0.5m). Pleasingly, all three of the Group's operating divisions (Freight Forwarding, Transport Solutions and Logistics) delivered strong turnover growth and increased contribution, further details of which are set out below.

Turnover generated in the UK increased to £28.8m/36.6% of total (H1 2017: £11.5m/23.5%) of which £2.1m was organic and £15.2m came from acquisitions, whilst CEE/non-UK turnover increased £12.5m/33.3% to £50.0m (H1 2017: £37.5m) which was entirely organic.

Reflecting confidence in the future, the Board has announced the payment of an interim dividend of 0.42p per share. The dividend will be payable to shareholders on the register on 5 October 2018 with the ex div date being 4 October 2018. The dividend will be paid on 26 October 2018.

Acquisitions

In May 2018, we expanded our position in the international freight forwarding market with the acquisition of Anglia Forwarding Group. Anglia has been well integrated into the Group and its strength in sea and air freight, in particular, has significantly increased the Group's capabilities in these areas.

Post the half-year end in July 2018, Import Services Limited ("ISL") was acquired for up to a maximum consideration of £12 million in part financed through an over subscribed placing which raised £7 million, before expenses. ISL is a long established contract warehousing business located within the port of Southampton, has 40k sqm of warehousing capacity and a strong presence in the toy, leisure and sports sectors. It is a natural fit with the Group and provides scope to combine with our existing facilities in Southampton and expand the Group's capabilities around port services. The integration of ISL into the Group is progressing in line with expectations and the ISL team have made a positive start post acquisition.

Operational Review

Freight Forwarding

Revenue	*H1 2018: £65.4m*	*H1 2017: £39.1m*
Operating profit	*H1 2018: £1.0m*	*H1 2017: £0.7m*

Freight forwarding services are provided under the Delamode brand. The division specialises in connecting CEE countries and the UK. In the period under review, the freight forwarding division increased revenues by 68.2% of which 30.7% was organic.

This organic growth was principally driven by increased activities in the Baltic region together with the development of Greek activity [through our Bulgaria operations]. The Group has also continued to progress the development of the full load activity, which, whilst decreasing gross profit margins, is both revenue and earnings enhancing. The West Balkan activity generated an increase in revenues of 41.7% against the comparable period last year.

The Group's EshopWedrop division is also progressing in line with expectations with franchises having been awarded to companies in Albania and Cyprus in 2017 and, more recently, in the USA. Further franchises are expected to be agreed in the last quarter of 2018.

Transport Solutions

Revenue	*H1 2018: £3.1m*	*H1 2017: £2.2m*
Operating profit	*H1 2018: £1.2m*	*H1 2017: £1.1m*

Transport solutions, trading principally under the Affinity brand, provides bundled fuel and toll cards, financial and support services for hauliers in southern Europe. Affinity is an agent of DKV in Romania, one of the world's largest fuel card providers and provides the DKV fuel card across the Balkans to a database of approximately 1,700 Eastern European hauliers and over 12,500 trucks. In addition, Affinity provides a "one stop shop" of transport services including roadside assistance and ferry bookings.

Affinity's commercial model fits well within the Group as many of the hauliers who are customers of Affinity also supply haulage services to Delamode a key factor that enables the Group to have a good understanding of its customers/suppliers, which underpins the strategy to provide further financial services such as insurance and leasing.

Affinity generated record revenues during the period. The majority of this growth was from increased provision of fuel cards in the West Balkan region along with increased ferry crossing sales in Romania, up by 46.7% to approximately 11,000, (H1 2017 : 7,500), albeit this latter service is lower margin and therefore impacted the divisions overall margin in the period compared with H1 2017.

Logistics & Warehousing

Revenue	*H1 2018: £10.5m*	*H1 2017: £7.7m*
Operating profit	*H1 2018: £0.3m*	*H1 2017: £0.2m*

Logistics and Warehousing comprises:

- distribution hubs in the UK and southern Europe providing over 50,000 sqm of shared user space (at the period end);
- pallet distribution services: the Group is the master franchisee of a fast growing pallet distribution network in Romania which trades under the Pall-Ex brand; and
- EMT, a business based in London specialising in fashion logistics.

Pall-Ex contributed strongly during this period and is now moving over 45,000 pallets of freight monthly, a significant increase over the prior period (2017: 38,500 per month).

Our logistics network continued to develop its offering in 2018 by increasing the customer database and service offerings, including e-commerce. The Group plans to move into a new purpose built cross dock facility in Sibiu in 2019 to accommodate the increased Pall-Ex activity. The Logistics divisions activities remain largely focused in CEE and the UK.

Warehousing activity increased in the first half 2018 compared to 2017 as a result of a rise in customer activity in the UK and the new warehouse in Romania which opened in the second half of 2017. In the UK, warehouse activity in Braintree is expected to increase in the second half of 2018 following the significant expansion of a contract with an existing customer

Brexit

We have consistently said that we see Brexit as an opportunity for Xpediator. The current uncertainty makes planning for all business challenging. We maintain however, that our experience over the last 30 years of providing cross border transport solutions (including customs clearances) leaves us well positioned to adapt to, and indeed benefit from the consequences of Brexit, hard or soft. Ultimately, our customers will need to understand and find solutions to continue getting their goods to their end-market.

People

During the period, the Company welcomed Michael Grange as Chief Information Officer (non-Board position) and Rob Riddleston as a Non Executive Director, an experienced corporate banker with extensive knowledge of the logistics sector. Further, on 20 August 2018, the Company confirmed the appointment of Stuart Howard, previously CEO of Dollar UK, as the Company’s new CFO from 1 September 2018.

I am extremely pleased to welcome such experienced individuals to Xpediator and I am confident that they will all make a significant contribution to the future growth of the business.

Outlook

As is usual across our industry, activity levels are second half weighted. In general, there is increasing demand for our range of freight management services, driven by economic growth especially across the CEE region and wider global trends such as e-commerce activity driving up the frequency of goods to be delivered across all our markets. These factors, combined with the increased size and additional capabilities of the Xpediator Group means the business is well positioned to continue growing and to generate increased revenues and higher profits and dividends.

With trading in the second half having begun well, the Board is confident that the Group will deliver financial results for the full year in line with market expectations.

Stephen Blyth
CEO
21 September 2018

Financial Review

Revenue

The underlying revenue for the six months to 30 June 2018 was £78.9m, an increase of £29.8m/60.7% on the comparable period (H1 2017: £49.1m). Of this revenue increase, £14.6m was organic whilst £15.2m came from newly acquired businesses

Turnover increased across all of our main countries of operations. UK turnover increased by 150% to £28.8m (H1 2017: £11.5m) arising principally from the acquired businesses and represented approximately 36.5% of Group revenues (H1 2017: 23.5%). Romania, Lithuania and Bulgaria each grew revenues by over 30.0%, much of this growth due to the successful and ongoing focus and development of the full load activity in the Baltic region and the development of the Bulgarian activity servicing the Greek markets.

Operating profit

Statutory operating profit for the period was £2.3m (H1 2017: £1.0m), a 132.8% increase year on year. However, £0.7m of this increase related to the net effect of one off accounting adjustments in respect of Benfleet (further details provided below). Adjusted operating profit increased by 44.2% in the period to £2.1m (H1 2017: £1.4m).

As is usual for the half year period end, the Group made a significant number of deliveries over the period for which the revenue and profit will be recognised on final delivery. Accordingly, deferred revenue of £1.2m (H1 2017: £0.9m) and deferred operating profit of £0.1m (H1 2017: £0.1m) will be recognised in the second half of 2018. Due to seasonality of the business, the amount of deferred revenue will be considerably smaller at the year-end date.

Financing costs

The net interest expense for the six month period was £0.2m (H1 2017: £0.2m). The reported net interest expense totalled £0.2m (H1 2017: £0.3m) which included a charge of £17,000 relating to the "unwinding" of the difference between the expected present value of deferred consideration and the expected total consideration relating to acquisitions completed in 2017 and 2018 (H1 2017: £88,000). This is a non-cash interest charge and is not trading related.

Tax

The tax charge for the period to June 2018 was £0.5m compared to £0.2m for the same period in 2017. This equates to an effective tax rate of 23.4% compared to 25.6% for the period to 30 June 2017.

The effective rate was principally affected by the exceptional costs associated from acquisitions made and the non-cash finance charge in 2018.

Balance Sheet

The Group had net assets of £17.5m as at 30 June 2018 (31 December 2017: £14.8m).

Non-current trade and other receivables increased by £1.9m to £2.1 million (31 December 2017: £0.1 million) being the receivable due from the vendors of Benfleet Forwarding as referred to below.

Current trade and other receivables increased by £2.6m to £54.4m (31 December 2017: £51.8m), partially as a result of the acquisition of AFGL.

Non-current liabilities fell by £1.4m to £4.8m (31 December 2017: £6.2m) principally as a result of the £0.9m reduction in deferred consideration, (which is no longer due on the acquisition of Benfleet and other deferred consideration now falling due within one year) and £0.5m reduction in loans and borrowings.

The Group's cash position was £6.0m as at 30 June 2018 (31 December 2017: £7.4m) partially due to the acquisition of AFGL. In addition, the Group sought to pay suppliers more quickly in order to benefit from early settlement discounts which resulted in a net operating cash out flow. The Group utilised Delamode's UK CID facility to finance the accelerated supplier payments which resulted in Group total borrowings increasing to £6.5m at 30 June 2018 (31 December 2017: £5.8m).

Share Capital

On 8 June 2018, the Group issued 1,727,694 shares to the former owners of EMT as part of the payment of the deferred consideration relating to the acquisition of the entire equity of EMT in 2017. The shares had a market value of £1.1m.

Dividends

The Directors are declaring an interim dividend of 0.42 pence (H1 2017: 0.347 pence) per share totalling £558,000 (H1 2017: £350,000) to be paid on 26 October 2018. This dividend has not been accrued in the consolidated Statement of Financial Position.

Benfleet

In October 2017, the Group acquired the entire issued share capital of Benfleet. As a result of EU concerns over UK under-collection of duty on Chinese imports, HMRC changed the customs clearance processes being applied in the period. Consequently, Benfleet's Far Eastern customers began experiencing delays and incurring additional costs which resulted in those customers suspending sending containers to the UK. This impacted both the revenues and the profitability of Benfleet during the period. The Group therefore obtained legal and taxation advice on the situation and procedures undertaken, and the business re-commenced post 30 June 2018, albeit at significantly lower levels to that previously performed in 2017.

As a result of this reduced profitability, the Group has carried out an impairment review on Benfleet. Based on the Board's expectations and projected future cash flows, the Group determined an impairment of £1.8m should be made against the goodwill capitalised upon the acquisition of Benfleet (see note 5). The impairment charge has been recognised in administration expenses through the Income Statement.

Given this projected, reduced profitability of Benfleet, the Group also determined and has agreed with the original vendors of Benfleet that potential deferred consideration totalling £0.6m, which was the fair value recognised as at 31 December 2017, will no longer be payable. This liability has therefore been written back. Further, the vendors of Benfleet have agreed to reimburse Xpediator a total of £2.1m from the original initial consideration paid, to be received by the earlier of the share price reaching 93 pence or December 2020. Both the release of the deferred consideration of £0.6m and the recognition of the receivable from the vendors of Benfleet with a fair value of £1.97m have been recognised within administrative expenses in the Income Statement (see note 9).

The overall net impact of impairment charge, release of previously recognised deferred consideration payable and recognition of receivable from vendors of £0.7m has been recognised as a credit to the Income Statement

Stuart Howard (CFO) and Richard Myson (former CFO)
21 September 2018

Consolidated income statement	Note	Unaudited 6 months to 30 June 2018 £000	Unaudited 6 months to 30 June 2017 £000	Audited Year to 31 December 2017 £000
Gross Billing		143,770	106,994	232,070
Revenue	1	78,879	49,063	116,297
Cost of sales		(62,049)	(37,389)	(88,186)
Gross profit		16,830	11,674	28,111
Other operating income		147	365	658
Administrative expenses		(14,632)	(11,032)	(25,680)
Operating profit		2,345	1,007	3,089
Exceptional items included in Administrative expenses above	11	91	331	912
Exceptional items – Benfleet	11	(747)	-	-
Operating profit before exceptional items		1,689	1,338	4,001
Finance income		14	2	12
Finance costs		(181)	(210)	(370)
Non cash finance costs	11	(17)	(88)	(295)
Profit before tax		2,161	711	2,436
Income tax		(506)	(182)	(651)
Profit for period		1,655	529	1,785
Profit attributable to:				
Owners of the parent		1,523	424	1,540
Non-controlling interests		132	105	245
Profit for period		1,655	529	1,785
EPS attributable to the owners of the parent				
Basic earnings pence per share	3	1.29	0.50	1.64
Diluted earnings pence per share	3	1.27	0.50	1.63
Adjusted basic earnings pence per share*	3	1.06	1.10	3.27
Adjusted diluted earnings pence per share	3	1.04	1.10	3.26

* Earnings per share adjusted for exceptional costs as described in note 11

Consolidated Statement of Comprehensive Income	Unaudited	Unaudited	Audited
	6 months to 30 June 2018	6 months to 30 June 2017	Year to 31 December 2017
	£000	£000	£000
Profit for the period	1,655	529	1,785
Other comprehensive income			
Exchange differences on translation of foreign operations	(32)	85	112
Total comprehensive income for the period	1,623	614	1,897
Total comprehensive income attributable to:			
Owners of the parent	1,494	501	1,634
Non-controlling interests	129	113	263
Total comprehensive income for the period	1,623	614	1,897

Consolidated statement of financial position	Note	Unaudited 30 June 2018 £000	Unaudited 30 June 2017 £000	Audited 31 December 2017 £000
Non-current assets				
Intangible assets	5	14,439	7,997	15,168
Property, plant and equipment	6	1,713	1,368	1,600
Investments		58	15	1
Trade and other receivables		2,112	181	149
Deferred tax		231	202	196
Total non-current assets		18,553	9,763	17,114
Current assets				
Inventories		42	34	50
Trade and other receivables		54,405	39,731	51,806
Cash and cash equivalents		5,988	6,927	7,385
Total current assets		60,435	46,692	59,241
Total assets		78,988	56,455	76,355
Equity				
Share capital	7	6,008	4,050	5,922
Share premium		5,792	-	5,792
Equity reserve		151	-	69
Translation reserve		521	529	546
Merger reserve		(521)	(3,750)	(1,509)
Retained earnings		5,054	2,769	3,535
Total equity		17,005	3,598	14,355
Non-controlling interests	8	487	266	413
Total equity		17,492	3,864	14,768
Non-current liabilities				
Deferred consideration	9	601	-	1,666
Trade and other payables		-	1,103	-
Interest bearing loans and borrowings	10	2,810	3,084	3,309
Deferred tax		1,374	804	1,209
		4,785	4,991	6,184
Current liabilities				
Overdrafts		267	-	45
Trade and other payables		50,764	41,943	50,973
Deferred consideration	9	1,955	-	1,840
Interest bearing loans and borrowings	10	3,725	5,657	2,545
		56,711	47,600	55,403
Total liabilities		61,496	52,591	61,587
Total equity and liabilities		78,988	56,455	76,355

Consolidated statement of cash flows	Unaudited 6 months to 30 June 2018 £000	Unaudited 6 months to 30 June 2017 £000	Audited Year to 31 December 2017 £000
Profit before tax	2,161	711	2,436
Adjustment for:			
Depreciation	237	159	368
Amortisation	425	145	437
Finance costs	198	298	665
Finance income	(14)	(2)	(12)
Share based payment charge	82	-	69
Impairment of intangible assets	1,845	-	-
Deferred consideration write back and vendor income	(2,592)	-	-
Profit on disposal of investments	-		(15)
Loss on disposal of property, plant and equipment	13	29	8
	2,355	1,340	3,956
Changes in working capital:			
Decrease/(increase) in stock	8	10	(6)
Increase/(decrease) in trade and other receivables	325	(11,179)	(17,208)
(Decrease)/increase in trade and other payables	(2,806)	11,710	16,043
Net cash (used in)/generated from operating activities	(118)	1,881	2,785
Continuing operations			
Cash flows from operating activities			
Interest paid	(181)	(212)	(370)
Tax paid	(402)	(309)	(762)
Net cash from operating activities	**(701)**	**1,360**	**1,653**
Cash flows from investing activities			
Purchase of tangible fixed assets	(195)	(338)	(771)
Acquisition of subsidiary, net of cash acquired	(1,352)	(2,500)	(5,835)
Cash received from sale of investments	83	-	-
Purchase of intangible fixed assets	(49)	(38)	(47)
Sale of tangible fixed assets and investment property	-	-	72
Sale of investments	-		30
Interest received	14	2	12
Net outflow from investing activities	**(1,499)**	**(2,874)**	**(6,539)**
Cash flows from financing activities			
New loans	1,029	4,183	1,198
Loan repayments	(348)	(794)	(696)
Issue of ordinary shares for cash	-	-	7,184
Dividend paid	-	-	(350)
Transactions with non-controlling interests	(3)	(193)	(209)
Non-controlling interest dividends paid	(55)	(104)	(107)
Net cash inflow from financing activities	**623**	**3,092**	**7,020**

Consolidated statement of cash flows	Unaudited 6 months to 30 June 2018 £000	Unaudited 6 months to 30 June 2017 £000	Audited Year to 31 December 2017 £000
(Decrease)/increase in cash and cash equivalents from continuing operations	(1,577)	1,578	2,134
Cash and cash equivalents at beginning of period	7,340	5,351	5,351
Effect of foreign exchange rate movements	(42)	(2)	(145)
Cash and cash equivalents at end of period	**5,721**	**6,927**	**7,340**

Consolidated Statement of Changes in Equity

For the six months to 30 June 2018 (unaudited)

	Share Capital £'000	Share Premium £'000	Equity Reserve £'000	Retained earnings £'000	Translation Reserve £000s	Merger Reserve £'000	Total £'000	Non-controlling interests £'000	Total Equity £'000
Balance at 1 January 2018	5,922	5,792	69	3,535	546	(1,509)	14,355	413	14,768
Dividends	-	-	-	-	-	-	-	(55)	(55)
Share options not yet exercised	-	-	82	-	-	-	82	-	82
Issue of share Capital	86	-	-	-	-	988	1,074	-	1,074
Total contributions by and distributions to owners	**86**	**-**	**82**	**-**	**-**	**988**	**1,156**	**(55)**	**1,101**
Profit for the period	-	-	-	1,523	-	-	1,523	132	1,655
Exchange differences on foreign operations	-	-	-	(4)	(25)	-	(29)	(3)	(32)
Total comprehensive income for the period	-	-	-	1,519	(25)	-	1,494	129	1,623
Balance at 30 June 2018	6,008	5,792	151	5,054	521	(521)	17,005	487	17,492

For the six months to 30 June 2017 (unaudited)

	Share Capital £'000	Retained earnings £'000	Translation Reserve £000s	Merger Reserve £'000	Total £'000	Non-controlling interests £'000	Total Equity £'000
Balance at 1 January 2017	4,050	2,466	452	(3,750)	3,218	345	3,563
Acquisition of NCI	-	(121)	-	-	(121)	(88)	(209)
Dividends	-	-	-	-	-	(104)	(104)
Total contributions by and distributions to owners	**-**	**(121)**	**-**	**-**	**(121)**	**(192)**	**(313)**
Comprehensive income							
Profit for the period	-	424	-	-	424	105	529
Exchange differences on foreign operations	-	-	77	-	77	8	85
Total comprehensive income for the period	-	424	77	-	501	113	614
Balance at 30 June 2017	4,050	2,769	529	(3,750)	3,598	266	3,864

For the year ended 31 December 2017 (audited)

	Share Capital £'000	Share Premium £'000	Equity Reserve £'000	Retained earnings £'000	Translation Reserve £000s	Merger Reserve £'000	Total £'000	Non-controlling interests £'000	Total Equity £'000
Balance at 1 January 2017	**4,050**	**-**	**-**	**2,466**	**452**	**(3,750)**	**3,218**	**345**	**3,563**
Acquisition of NCI	-	-	-	(121)	-	-	(121)	(88)	(209)
Dividends Distributions to owners	-	-	-	(350)	-	-	(350)	(107)	(457)
Share Based Consideration on Acquisitions	480	-	-	-	-	2,241	2,721	-	2,721
Share Options not yet exercised	-	-	69	-	-	-	69	-	69
Issue of Share Capital	1,392	5,792	-	-	-	-	7,184	-	7,184
Total contributions and distribution to owners	1,872	5,792	69	(471)	-	2,241	9,503	(195)	9,308

Comprehensive income									
Profit for the year	-	-	-	1,540	-	-	1,540	245	1,785
Exchange differences on foreign operations	-	-	-	-	94	-	94	18	112
Total comprehensive income for the period	-	-	-	1,540	94	-	1,634	263	1,897
Balance at 31 December 2017	5,922	5,792	69	3,535	546	(1,509)	14,355	413	14,768

General information

The financial information included in this interim statement of results does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The unaudited accounts for the six month period ended 30 June 2018 have been prepared on a consistent basis and using the same accounting policies as those adopted in the financial statements for Xpediator PLC for the year ended 31 December 2017, except as noted below for new standards adopted. The statutory accounts of the Xpediator PLC for the year ended 31 December 2017 are available on the Xpediator Plc website, www.xpediator.com . The auditors reported on those accounts: their report was unqualified and did not draw attention to any matters by way of emphasis.

Basis of preparation

Xpediator Plc (the 'Company') is a company incorporated in England. The consolidated interim financial statements of the Company for the six month period ended 30 June 2018 comprise the Company and its subsidiaries (together referred to as the 'Group'). The interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union. They are unaudited but have been reviewed by the Company's auditor and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2017.

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets and liabilities, income and expenses. Actual results may differ from these estimates.

During the six months ended 30 June 2018, management also reassessed its estimates in respect of deferred contingent consideration and considered the recoverable amount of goodwill and other intangible assets. Please refer to notes 5 and 9 for further details.

Merger accounting

On 25 May 2017, Xpediator entered into a share swap agreement with the ultimate beneficiaries of Delamode Group Holdings Limited, whereby 4,000,000 new ordinary shares of £1.00 each were issued to the ultimate beneficiaries of the Delamode Group Holdings Limited in exchange for their shares in Delamode Group Holdings Limited in the same proportion as their shareholding in Delamode Group Holdings Limited. The merger method of accounting is used to consolidate the results of Xpediator and Delamode Group Holdings Limited and subsidiaries.

Accounting policies

The financial statements have been prepared on the historical cost basis except for the revaluation of certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period.

Changes in significant accounting policies

The Group has adopted IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments' from 1 January 2018. Neither standard has a material effect on the Group's financial statements.

Except for the first time application of IFRS 15 and IFRS 9, the significant judgements made by management in applying the Group accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2017.

Revenue recognition
IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 'Revenue', IAS 11 'Construction Contracts' and related interpretations.

As the effect of the application of IFRS 15 is not material, further details of the new significant accounting policies will be set out in the Group's consolidated financial statements as at and for the year ending 31 December 2018.

Financial instruments
IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 'Financial Instruments: Recognition and Measurement'. The adoption of IFRS 9 resulted in no adjustments to previously reported results.

As the effect of the application of IFRS 9 is not material, the details of the new significant accounting policies will be set out in the Group's consolidated financial statements as at and for the year ending 31 December 2018.

There have been no material revisions to the nature and amount of estimates of amounts reported in prior period except whether the implementation of IFRS 9 discussed above requires a different approach to the accounting previously applied. Significant estimates and judgments that have been required for the implementation of these new standard are:

- Estimating the lifetime losses of trade receivables for the purpose of IFRS 9's expected credit loss model

New or amended EU endorsed accounting standards
Details of new or revised accounting standards, interpretations or amendments which are effective for periods beginning on or after 1 January 2018 and which are considered to have an impact on the Group can be found in the annual financial statements for the year ended 31 December 2017.

IFRS 16 'Leases' is effective 1 January 2019. IFRS 16 will change lease accounting for lessees under operating leases. Such agreements will require recognition of an asset, representing the right to use the leased item, and a liability, representing future lease payments. Lease costs will be recognised in the form of depreciation and interest, rather than as an operating cost. The adoption is likely to have a material impact on the presentation of the Group's assets and liabilities, mainly due to property leases. Due to the quantity of leases under review, the Group has not substantially completed the assessment of lease contracts under the new accounting standard. Therefore, a quantification of the impact on the Group's results cannot yet be reliably estimated.

The Group is not expecting any other new standards that would have a significant impact to the Group.

Accounting for associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investment in associates are accounted for using the equity method of accounting. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Going concern

The Directors have concluded that it is appropriate that the financial statements have been prepared on a going concern basis given the cash balances as at 30 June 2018, and funding facilities in place across the group, which it does not envisage will be withdrawn thus there are sufficient funds available to meet its liabilities as they fall due. The financial statements have therefore been prepared on a going concern basis.

The directors believe that based on the current budgets and forecast cash flows, there is sufficient resources to meet its liabilities as they fall due.

1) Turnover analysis by Country & Segment

	Unaudited 6 months to 30 June 2018 £000	Unaudited 6 months to 30 June 2017 £000	Audited Year to 31 December 2017 £000
United Kingdom	28,839	11,534	32,147
Romania	15,397	11,594	25,739
Lithuania	20,862	15,529	36,167
Bulgaria	8,489	6,372	13,538
Other	5,292	4,034	8,706
Total Income	**78,879**	**49,063**	**116,297**

	Unaudited 6 months to 30 June 2018 £000	Unaudited 6 months to 30 June 2017 £000	Audited Year to 31 December 2017 £000
Freight Forwarding			
United Kingdom	24,661	8,792	24,952
Romania	6,704	4,702	10,513
Lithuania	20,862	15,529	36,167
Bulgaria	8,489	6,372	13,538
Other	4,645	3,710	8,169
Total Income Freight Forwarding	**65,361**	**39,105**	**93,339**
Logistics			
United Kingdom	4,178	2,742	7,195
Romania	6,285	4,969	11,181
Total Income Logistics	**10,463**	**7,711**	**18,376**
Transport Solutions			
Romania	2,408	1,923	4,045
Other	647	324	537
Total Income Transport Solutions	**3,055**	**2,247**	**4,582**
Total Income	**78,879**	**49,063**	**116,297**

2) Segmental Analysis

Types of services from which each reportable segment derives its revenues

During the period, the Group had three main divisions: Freight Forwarding, Logistics and Transport Solutions. All revenue is derived from the provision of services.

- Freight Forwarding - This division is the core business and relates to the movement of freight goods across Europe. This division accounts for the largest proportion of the Group's business, generating 82.9% of its external revenues contributed in 2018 (H1 2017: 79.9%)
- Transport Solutions - This division focuses on the reselling of DKV fuel cards, leasing, ferry crossings and other associated transport related solutions. This division accounts for 3.9% of the Group's business in terms of revenue (H1 2017: 4.6%)
- Logistics - This division provides warehousing and domestic distribution and generated 13.2% of the Group's external revenues in 2018 (H1 2017: 15.7%).

Factors that management used to identify the Group's reportable segments

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the management team comprising the Divisional CEOs, the Chief Executive Officer and the Chief Financial Officer.

No single customer accounted for more than 2% of the Group’s total revenue.

Measurement of operating segment profit or loss, assets and liabilities

The Group evaluates segmental performance on the basis of profit or loss from operations calculated in accordance with IFRS.

Inter-segment sales are priced at market rates and on an arm’s length basis, along the same lines as sales to external customers. This policy was applied consistently throughout the current and prior period.

Segmental Analysis for the period to 30 June 2018	**Freight Forwarding**	**Logistics**	**Transport Solutions**	**Unallocated**	**Total**
	2018	**2018**	**2018**	**2018**	**2018**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Gross Billings	65,361	10,722	67,687	-	**143,770**
Less recoverable disbursements	-	-	(64,632)	-	**(64,632)**
Total revenue	65,361	10,722	3,055	-	**79,138**
Inter-segmental revenue	-	(259)	-	-	**(259)**
Total revenue from external customers	65,361	10,463	3,055	-	**78,879**
Depreciation & amortisation	(423)	(177)	(23)	(39)	**(662)**
Segment Profit (excluding exceptional items)	**986**	**320**	**1,192**	**(809)**	**1,689**
Net Finance costs					**(184)**
Exceptional items					**656**
Profit before income tax					**2,161**

Segmental Analysis for the period to 30 June 2017	**Freight Forwarding**	**Logistics**	**Transport Solutions**	**Unallocated**	**Total**
	2017	**2017**	**2017**	**2017**	**2017**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Gross Billings	39,105	7,945	59,944	-	**106,994**
Less Recoverable Disbursements	-	-	(57,697)	-	**(57,697)**
Total revenue	39,105	7,945	2,247	-	**49,297**
Inter-segmental revenue	-	(234)	-	-	**(234)**
Total revenue from external customers	**39,105**	**7,711**	**2,247**	**-**	**49,063**
Depreciation & amortisation	54	227	18	5	**304**
Segment profit (excluding exceptional items)	**688**	**221**	**1,080**	**(651)**	**1,338**
Net finance costs					**(296)**
Exceptional items					**(331)**
Profit before income tax					**711**

Segmental Analysis for the year to 31 December 2017	Freight Forwarding	Logistics	Transport Solutions	Unallocated	Total
	2017	2017	2017	2017	2017
	£'000	£'000	£'000	£'000	£'000
Gross Billings	93,339	18,898	119,833	-	232,070
Less recoverable disbursements	-	-	(115,251)	-	(115,251)
Total revenue	93,339	18,898	4,582	-	**116,819**
Inter-segmental revenue	-	(522)	-	-	**(522)**
Total revenue from external customers	**93,339**	**18,376**	**4,582**	**-**	**116,297**
Depreciation & amortisation	(235)	(530)	(38)	(2)	**(805)**
Segment profit (excluding exceptional items)	**2,434**	**932**	**1,952**	**(1,317)**	**4,001**
Net finance costs					**(653)**
Exceptional items					**(912)**
Profit before income tax					**2,436**

3) Earnings per share

	Unaudited 6 months to 30 June 2018 £000	Unaudited 6 months to 30 June 2017 £000	Year to 31 December 2017 £000
Weighted average number of shares - basic	117,651	84,296	94,004
Weighted average number of shares – diluted	119,637	84,296	94,328
Profit for the period attributable to equity holders of the company	1,523	424	1,540
Profit for the period attributable to equity holders of the company excluding exceptional items (see note 11)	1,245	931	3,077
Earnings per share - basic (pence)	1.29	0.50	1.64
Earnings per share – diluted (pence)	1.27	0.50	1.63
Earnings per share - basic (pence) (excluding exceptional items)*	1.06	1.10	3.27
Earnings per share - diluted (pence) (excluding exceptional items)*	1.04	1.10	3.26

*Earnings per share adjusted for exceptional costs (see note 11)

4) Dividends

The directors are declaring an interim dividend of 0.42 pence (H1 2017: 0.347 pence) per share totalling £558,000 (H1 2017: £350,000) to be paid on 26 October 2018. This dividend has not been accrued in the consolidated statement of Financial Position.

5) Intangible Asset

For the period from 1 January 2018 to 30 June 2018 (unaudited)	**Customer related**	**Licences**	**Goodwill**	**Total**
Cost	**£'000**	**£'000**	**£'000**	**£'000**
At 1 January 2018	**5,689**	**2,675**	**7,551**	**15,915**
Additions	-	49	-	49
Acquired through business combinations	938	-	531	1,469
Transfer between categories	(19)	19	-	-
Exchange differences	-	25	-	25
At 30 June 2018	6,608	2,768	8,082	17,458
Amortisation				
At 1 January 2018	330	417	-	747
Amortisation for the period	361	64	-	425
Impairment	-	-	1,845	1,845
Exchange differences	-	2	-	2
At 30 June 2018	691	483	1,845	3,019
Net Book Value at 30 June 2018	**5,917**	**2,285**	**6,237**	**14,439**

For the period from 1 January 2017 to 30 June 2017 (unaudited)	**Customer related**	**Licences**	**Goodwill**	**Total**
Cost	**£'000**	**£'000**	**£'000**	**£'000**
At 1 January 2017	**-**	**2,453**	**682**	**3,135**
Additions	-	38	-	38
Acquired through business combinations	2,872	-	2,258	5,130
Exchange differences	-	139	16	155
At 30 June 2017	2,872	2,630	2,956	8,458
Amortisation				
At 1 January 2017	-	243	-	243
Amortisation for the period	88	57	-	145
Exchange differences	-	73	-	73
At 30 June 2017	88	373	-	461
Net Book Value at 30 June 2017	**2,784**	**2,257**	**2,956**	**7,997**

For the period from 1 January 2017 to 31st December 2017 (audited)	Customer related	Licences	Goodwill	Total
Cost	**£'000**	**£'000**	**£'000**	**£'000**
At 1 January 2017	**-**	**2,453**	**682**	**3,135**
Additions	17	30	-	47
Disposals	-	(6)	-	(6)
Acquired through business combinations	5,670	-	6,829	12,499
Exchange differences	2	198	40	240
At 31 December 2017	5,689	2,675	7,551	15,915
Amortisation				
At 1 January 2017	-	243	-	243
Amortisation for the period	330	107	-	437
Disposals	-	(6)	-	(6)
Exchange differences	-	73	-	73
At 31 December 2017	330	417	-	747
Net Book Value at 31 December 2017	**5,359**	**2,258**	**7,551**	**15,168**

The goodwill included in the above note, relates to the acquisitions of Pallet Express Srl in January 2016, Easy Managed Transport in March 2017, Benfleet Forwarding Limited in October 2017, Regional Express Limited in November 2017 and Anglia Forwarding Group Limited in June 2018. This is the total value of intangible assets with an indefinite useful life allocated to each respective cash generating unit.

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flows.

Impairment of Goodwill on Benfleet Forwarding Limited

Early 2018 increased customs security checks across the EU started to affect the Benfleet activity from the Far East. This resulted in those customers suspending sending containers to the UK. This has significantly impacted on the profitability of Benfleet and its projected revenues.

As a result of this reduced profitability the Group has carried out an impairment review on Benfleet. The Board has prepared forecast of future revenue flows based on its best estimate and on discussions with certain main customers.

These cash flows have then been sensitised and probabilities applied, taking into account aspects such as: the likelihood of the revenue streams coming back on line; an estimate of the level of activity which will recommence; the expected timing of the start of the revenue streams; and the margins which will be generated from this activity.

In deriving the probabilities used to calculate the operating revenues, the board has taken into account the current discussions with customers and known factors, including the fact that the business has recommenced post 30 June 2018, albeit at significantly lower levels to that achieved in 2017.

Based on the Board expectations and future cash flow, the Group has identified that there is an impairment required of £1.845 million to the goodwill recognised on acquisition of the company.

In valuing the recoverable amount, a growth assumption of 2.5% and discount rate of 16.99% were used and applied to updated forecast performance for the business. The impairment charge has been recognised in the consolidated income statement within the administration expense line.

6) Property, plant and equipment

For the period from 1 January 2018 to 30 June 2018 (unaudited)	Freehold Property £000	Fixtures, fittings and equipment £000	Motor Equipment £000	Computer Equipment £000	Total £000
Cost					
At 1 January 2018	142	972	840	1,593	3,547
Additions	-	93	32	70	195
Additions acquired with subsidiary	61	111	5	-	177
Disposals	-	(5)	(47)	(27)	(79)
Exchange differences	(1)	(5)	(4)	(3)	(13)
At 30 June 2018	202	1,166	826	1,633	3,827
Depreciation					
At 1 January 2018	3	628	499	817	1,947
Charge for the period	2	76	50	109	237
Transfers between categories	-	(131)	-	131	-
Eliminated on disposal	-	(1)	(45)	(18)	(64)
Exchange differences	-	(2)	(2)	(2)	(6)
At 30 June 2018	5	570	502	1,037	2,114
Net book value 30 June 2018	197	596	324	596	1,713

For the period from 1 January 2017 to 30 June 2017 (unaudited)	Freehold Property £000	Fixtures, fittings and equipment £000	Motor Equipment £000	Computer Equipment £000	Total £000
Cost					
At 1 January 2017	122	921	759	1,058	2,860
Additions	-	93	74	171	338
Additions acquired with subsidiary	18	1	4	-	23
Disposals	-	(2)	(67)	(9)	(78)
Exchange differences	3	7	6	7	23
At 30 June 2017	143	1,020	776	1,227	3,166
Depreciation					
At 1 January 2017	-	508	504	662	1,674
Charge for the period	-	58	36	65	159
Eliminated on disposal	-	(1)	(42)	(3)	(46)
Exchange differences	-	3	4	4	11
At 30 June 2017	-	568	502	728	1,798
Net book value 30 June 2017	143	452	274	499	1,368

For the period from 1 January 2017 to 31 December 2017 (audited)	Freehold Property £000	Fixtures, fittings and equipment £000	Motor Equipment £000	Computer Equipment £000	Total £000
Cost					
At 1 January 2017	122	921	759	1,058	2,860
Additions	2	165	224	380	771
Addition with subsidiary	15	30	19	9	73
Disposals	-	(2)	(176)	(19)	(197)
Transfer between categories	-	(154)	-	154	-
Exchange differences	3	12	14	11	40
At 31 December 2017	142	972	840	1,593	3,547
Depreciation					
At 1 January 2017	-	508	504	662	1,674
Charge for the period	3	117	89	159	368
Eliminated on disposal	-	(2)	(103)	(12)	(117)
Exchange differences	-	5	9	8	22
At 31 December 2017	3	628	499	817	1,947
Net book value					
At 31 December 2017	139	344	341	776	1,600

7) Share Capital

	Unaudited 30 June 2018 £000	Unaudited 30 June 2017 £000	Audited 31 December 2017 £000
Allotted, issued and fully paid			
Ordinary shares of £0.05p each – Number	119,158	80,000	117,431
Ordinary shares of £0.05p each – Value	5,958	4,000	5,872
Deferred Shares of £1 each - number	50	50	50
Total Share Capital	6,008	4,050	5,922

On 8 June 2018, the Company issued 1,727,694 ordinary shares of 5p each in the Company as part of the agreed deferred consideration for the acquisition of Easy Managed Transport. The total value of this transaction was £1,074,625, which was settled by the issuance of the new shares.

The deferred shares are non-voting shares and have no rights to any distribution or dividend payments.

8) Non-Controlling Interests

Non-Controlling interests held in the group are as follows:

	Unaudited 30 June 2018	Unaudited 30 June 2017	Audited 31 December 2017
Delamode Baltics UAB	20.0%	20.0%	20.0%
Delamode Estonia OÜ	20.0%	20.0%	20.0%
Delamode Bulgaria EOOD	10.0%	10.0%	10.0%
Delamode Service Financare IFN	0.05%	0.05%	0.05%
Delamode Distribution UK Limited	49.0%	49.0%	49.0%

9) Deferred Consideration

As part of the original sale and purchase agreement (SPA) the consideration due to the original vendors of Benfleet Forwarding Limited was based on an initial payment plus a payment for deferred consideration linked to the profit generated by the company during the earn out period. In addition to this, the SPA included a clawback clause whereby the original vendors would be required to repay some of the initial consideration if the target profit was not achieved, thus ensuring that the total consideration payable is directly linked to the profitability of the entity acquired.

Given the reduced profitability of Benfleet Forwarding Limited, the Group has performed a re-estimation of the deferred consideration payable at balance date. As a result of this exercise, the Group has derecognised the deferred consideration payable of £624k which was originally recognised on acquisition of Benfleet, which was the fair value measured at 31 December 2017.

Consequently and in accordance with the SPA, the group has recognised a deferred consideration receivable which represent amount owed by vendors. The receivable was measured at fair value with an expected repayment date of December 2020. Using a discount rate of 4.5% the carrying value of the deferred consideration receivable was estimated to be £1.97 million.

Both the release of the deferred consideration of £624k and the recognition of the receivable from the vendors of £1.97 million has been recognised within the administration expenses through the Income Statement.

10) Loans

	Unaudited 30 June 2018 £000	Unaudited 30 June 2017 £000	Audited 31 December 2017 £000
Current;			
Finance Leases	71	35	43
Other Loans	3,654	5,622	2,502
	3,725	5,657	2,545
Non - Current;			
Finance Leases 1-2 year	53	62	64
Finance Leases 2-5 Years	38	-	24
Other Loans;			
Loans 1- 2 years	310	296	651
Loans 2- 5 years	1,029	971	1,006
Loans due after five years repayable by instalments	1,380	1,755	1,564
	2,810	3,084	3,309

The Finance leases are secured against the assets to which the finance relates. Bank loans and overdrafts are secured by a fixed and floating charge over the Group's assets.

11) Exceptional Costs

The Group incurred non-recurring costs of £91,000 relating to the acquisitions of Anglia Forwarding Group Limited and Import Services Limited (see note 12).

The exceptional costs relating to Benfleet amounting to £747k net credit as disclosed in the table below is broken down as follows:

Impairment of goodwill (see note 5)	£1,845k
Release of deferred consideration payable (see note 9)	£(624k)
Recognition of receivable from vendors of Benfleet (see note 9)	£(1,968)k
Total	£(747)k

Adjusted earnings per share has been calculated as follows:-

	Unaudited 6 months to 30 June 2018 £000	**Unaudited 6 months to 30 June 2017 £000**	**Audited Year to 31 December 2017 £000**
Profit for the Period Attributable to the Owners of the Parent	1,523	424	1,540
Exceptional Costs – Acquisition Costs	91	331	912
Exceptional Costs – Benfleet	(747)	-	-
Amortisation relating to acquisitions	361	88	330
Non-Cash Interest	17	88	295
Adjusted Profit for the Period	1,245	931	3,077

12) Post balance sheet events

On 6 July 2018, the Group raised a further £7.0m before expenses by issuing an additional 10,000,000 ordinary shares of 5 pence each in the Company. Following this fund raising, the Group acquired Import Services Limited (ISL), a contract logistics and warehousing business based in Southampton, UK. The acquisition consideration comprised an initial payment of £9.0m, being £6.0m in cash and £3.0m in Xpediator shares and performance based deferred consideration of up to £3.0m payable in two parts on 30 June 2019 and 30 June 2020.

13) Business combinations

Anglia Forwarding Group Limited

On 4 June 2018, the Group acquired 100% of the issued share capital of Anglia Forwarding Group Limited (Anglia), an international freight forwarding and courier business.

The principal reason for this acquisition was to enable the Group to consolidate and enhance their UK freight forwarding distribution services and to allow good cross-selling opportunities, especially within the customs clearance areas.

The total consideration payable comprised cash on completion of £1.5m and Cash equal to £390k based on the net working capital adjustment on completion earn-out payments payable over two years. The deferred consideration is calculated as follows, both of which are subject to a maximum aggregate payment of £2.0m:

- 5 times Anglia's operating profit before tax less target profit of £0.75m multiplied by 50% in respect of the First Earn-Out Year, with an amount not greater than £1.0m.
- 5 times the Company's operating profit before tax less target profit of £0.75m multiplied by 50% in respect of the Second Earn-Out Year, with an amount not greater than £1.0m.

Fair Value assessment

As part of the fair value assessment of the Intangible assets of Anglia, it was identified that the only intangible asset category to apply, is the customer related intangible assets. The fair value calculation of customer related intangible asset was determined by using the income approach based on the expected future cash flows. This was then discounted to determine the present value.

The weighted average cost of capital used in determining the present value, was 12.0%, which reflected the business and market risks factors.

The outcome of the fair value calculation was to derive a customer related intangible asset with a value of £938,000.

Economic useful life

When determining the economic useful life of the customer relationships the historical length of relationships with existing customers and those reported by listed companies in the sector was considered as well as an annual attrition rate of 10.0%.

Based on these factors, it was concluded that the useful economic life for customer relationships in relation to Anglia would be up to 10 years.

Deferred tax

As a result of the creation of the customer related intangible asset, there is a deferred tax liability, which was calculated as the sum of the fair values of the intangible assets multiplied by the tax rate. An average long-term tax rate of 17.0% was used as to determine this. This resulted in a deferred tax liability of £160,000.

Deferred Consideration

The deferred consideration consists of the

payment relating to the earn out period and;

amount by which the Completion Net Asset exceeds Target Net Assets

In determining the present value of the earn out payment, the first payment which is due in May 2019 was calculated using a cost of capital of 12.0%.

Using the forecasted results for the respective periods the present value of the deferred consideration relating to the earn out was calculated to be £797,000.

The completion net assets exceeded target net assets by £390,000, however the completion accounts are currently being agreed and the final consideration payable may be amended. However, it is not thought that this will be material.

Goodwill

When determining the goodwill arising on the acquisition the following calculations were used.

Purchase Consideration	£'000	
Initial Consideration	1,500	
Net Cash Adjustment	390	
P.V. of Deferred Consideration	797	
Total Consideration for Equity	2,687	
Allocation of Assets and Liabilities Acquired		
Intangible Assets		
Customer-related Intangible Assets		938
Other Assets		
Current Assets		3,644
Fixed Assets		177
Non-Current Assets		134
Liabilities		
Assumed Liabilities		(2,577)
Deferred Tax Liability for Intangible Assets		(160)
Goodwill		531

The goodwill recognised will not be deductible for tax purposes.

Since the acquisition, Anglia has contributed £1,563,000 to Group revenue and £29,000 to Group Profit.

International Cargo Centre (ICC)

As part of the acquisition of Anglia, the Group disposed of 60% of the share capital of ICC on 4 June 2018. As the Group now owns 40% of the voting shares and does not have control over Board decisions, then the Group will account for this as an associate.

Anglia Forwarding Group received consideration of £83,000 from the sale and made a profit on disposal of £nil.

INDEPENDENT REVIEW REPORT TO XPEDIATOR PLC

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2018 which comprises the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, the consolidated statement of changes in equity and the related notes.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the rules of the London Stock Exchange for companies trading securities on AIM which require that the half-yearly report be presented and prepared in a form consistent with that which will be adopted in the company's annual accounts having regard to the accounting standards applicable to such annual accounts.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Our report has been prepared in accordance with the terms of our engagement to assist the company in meeting the requirements of the rules of the London Stock Exchange for companies trading securities on AIM and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2018 is not prepared, in all material respects, in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

BDO LLP
21st September 2018

BDO LLP
Chartered Accountants
London
United Kingdom
Date
BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).