

28 September 2023

Let's Explore Group plc

("Let's Explore Group", the "Company" or the "Group")

Interim Results

Let's Explore Group plc (AIM:LETS), is pleased to announce its unaudited interim results for the six months to 30 June 2023. During the period, the Location Based Entertainment (LBE) and Uvisan divisions were sold and there was a subsequent return of cash to shareholders via a tender offer.

Highlights

- Cash proceeds from the sale of LBE and Uvisan £18,964,000 (net of expenses and cash disposed with subsidiaries).
- Profit of £15,115,000 on disposal of the LBE and Uvisan divisions.
- Profit after tax from total operations for the period £14,060,000 (H1 2022: £491,000 loss).
- Cash on hand at the reporting date £6,827,000.
- Further cash of \$1,250,000 due to be received in February 2024 in respect of loan note from the buyer of the LBE business.
- Share buyback programme returned £11,364,000 to shareholders in the period (net of share option exercise proceeds of £1,163,000).
- Adjusted EBITDA loss from continuing operations £455,000 (H1 2022: £770,000).

Post period highlights

- Launch of three new Let's Explore products: revamped Let's Explore Oceans, Let's Explore Space and Let's Explore Wildlife.
- Orders received for circa 26,000 Vodiac units to be fulfilled in Q4.

Change of Name of Nominated Adviser and Broker

The Company also announces that its Nominated Adviser and Joint Broker has changed its name to Cavendish Securities plc following completion of its own corporate merger.

Martin Higginson, Chief Executive Officer of Let's Explore Group, commented:

"During the period, we delivered significant value to shareholders through the sale of LBE and Uvisan businesses. The return of £12.52m to shareholders left us with £6.8m of cash on hand, plus a further \$1.25m of cash due in February 2024. As such the Group is well positioned for further investments as it seeks value enhancing opportunities for shareholders."

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Chairman's Statement

The Group entered the year with three divisions: Location Based Entertainment (LBE), Home Based Entertainment (HBE) and Uvisan.

As previously announced on 2 February 2023 and 1 March 2023 respectively, we took the strategic decision to sell the LBE business (including the Immotion trading name) to minimise risk for shareholders and provide a significant liquidity event in highly uncertain markets. We also sold the Uvisan business, leaving the Group with HBE as its only remaining trading business.

The sale of these businesses brought in proceeds of £18,964,000 net of costs and cash disposed of with these businesses. Further cash of \$1,250,000 (circa £1,000,000) in respect of repayment of loan note from the buyer of the LBE business is due to be received in February 2024.

Following completion of these sales, the Company set about returning the majority of the sale proceeds to shareholders via a tender offer process which concluded in June 2023 with a total of £12,527,000 distributed (the net cash outflow being £11,364,000 when taking account of share option exercise proceeds).

With £6,827,000 cash on hand at the period end, plus the loan note due to be repaid in February 2024, we believe the Company is well positioned to capitalise upon opportunities in front of it.

Chief Executive's Review

Whilst the sale of the LBE and Uvisan businesses left the group with the HBE business as its only trading business at present, this was never the long-term plan for the Group. As previously announced, the Board's intention was to find a suitable opportunity for the Group, which we would expect to become its principal activity. I am pleased to report that we have identified an acquisition target, full details of which will be provided in an announcement to be released later today.

Home Based Entertainment (HBE)

The Group's HBE business comprises themed 'Immersive Learning' Let's Explore products, as well as the affordable 'Vodiac' VR headset, an affordable smartphone-powered VR headset and companion app which provides the user with 75 different virtual reality experiences across seven channels. These products retail to consumers via a variety of channels including QVC, Amazon as well as direct to consumer offering via Facebook and other social media channels.

The HBE business is predominantly a Q4 focused business, with the first half of the year being about investment into the development and planning of new products.

As expected, HBE revenue was modest in the period at £62,000 (H1 2022: £103,000) reflecting the seasonality of the business. This revenue was primarily generated through the sale of 6,000 units of the Vodiac product. HBE cost of sales of £139,000 included a £32,000 write-off in respect of materials previously purchased which are now obsolete due to the redesign of the Let's Explore product range. This produced a gross loss of £77,000 from HBE in the period (H1 2022: £65,000), and a divisional adjusted EBITDA loss of £175,000 (H1 2022: £151,000).

As announced earlier in the year, the Group has developed three new Let's Explore products: a revamped 'Let's Explore Oceans' offering as well as 'Let's Explore Space' and 'Let's Explore Wildlife'

which are two completely new products, all focused on delivering a comprehensive immersive learning experience.

Each pack comes complete with the new improved smartphone-powered VR headset, a range of VR experiences, a holographic cube which unlocks a selection of in-app augmented reality experiences, a full-colour hardback fact book, a sticker book, a giant poster, and an interactive model. The Group has produced a total of 22,500 units in conjunction with a respected publisher on a profit-sharing basis for an initial test of these new products and, subject to the results in Q4, the intention is to expand the product range as well as the territories in which they are sold over the coming year.

The RRP of each pack will be £99, or \$125. Sales will be focused around the busy Q4 period and will, as in previous years, be offered via either a direct sale, or through Amazon both in the UK and USA.

Following technical improvements in the Vodiack offering, and a successful TV airing in August 2023 on QVC USA, during which some 4,000 Vodiack headsets were sold, the Group has received additional orders worth over \$330,000 for circa 26,000 Vodiack units. These will predominantly be sold through QVC USA, and UK, as well as two tests on QVC Canada, and Australia, all to be fulfilled in Q4.

Financial review

Overall profit after tax for the period was £14,060,000. The results of LBE and Uvisan are included within discontinued operations in the period as they were in the published full year 2022 results. The 2022 interim figures have been restated for comparison purposes.

The split between continuing and discontinued activities is summarised below:

	Continuing Operations £'000	Discontinued Operations £'000	Total Operations £'000
Revenue	62	1,626	1,688
Cost of sales	(139)	(924)	(1,063)
Gross profit	(77)	702	625
Other income	129	-	129
Admin expenses*	(507)	(390)	(897)
Adjusted EBITDA**	(455)	312	(143)
Amortisation	(86)	(39)	(125)
Depreciation	(10)	(173)	(183)
Impairment	-	(459)	(459)
Loss on disposal of assets	-	(3)	(3)
Gain on disposal of subsidiaries	-	15,115	15,115
Share based payments	(332)	-	(332)
One-off costs	(418)	(23)	(441)
Finance costs	(1)	(4)	(5)
Finance income	189	-	189
Taxation	(4)	(8)	(12)
Profit/(loss) for the period	(1,117)	15,177	14,060

*Administrative expenses exclude depreciation, amortisation, impairment, gains/losses on disposal, share based payments and one-off costs.

**Adjusted EBITDA is a non-GAAP metric.

Adjusted EBITDA loss from continuing operations (comprising HBE and head office costs) in the period was £455,000 (H1 2022: £770,000).

The Company has been able to mitigate its head office costs in the period through income of £129,000 received for the provision of transitional finance and other services to the disposed subsidiaries (recognised in other income).

The Company also received £189,000 finance income in the period on its cash deposits and the accrued loan note interest payable by the buyer of the LBE business.

The Group recorded a profit of £15,115,000 on the sale of the LBE and Uvisan subsidiaries and, as a result of the UK Substantial Shareholding Exemption (SSE) legislation applying to the disposals, no tax is expected to be payable on this gain.

The cash proceeds of the disposals net of deal costs and cash disposed with the entities were £18,964,000. This excludes the repayment of the \$1,250,000 loan note (plus interest at 6% per annum) to be received from the buyers of the LBE business on 28 February 2024. Repayment of the loan note is subject to adjustments for any warranty claims made under the LBE business sale and purchase agreement. The board is not aware presently of any information which would result in any other than full repayment of the loan notes being received.

Outlook

We are excited by the launch of the new Let's Explore range ready for the peak gifting season. The mix of virtual reality, augmented reality, interactive models and traditional books has allowed us to create a range of immersive learning products.

With a strong balance sheet, we are optimistic about the potential the Group has to deliver shareholder value, both through the HBE business and acquisition opportunities.

LET'S EXPLORE GROUP PLC
CONSOLIDATED INCOME STATEMENT
for the six months ended 30 June 2023

	Notes	Unaudited Six months to 30 June 2023 £'000	Restated* Unaudited Six months to 30 June 2022 £'000	Audited 12 months to 31 December 2022 £'000
Continuing operations				
Revenue		62	103	796
Cost of sales		(139)	(168)	(865)
Gross loss		(77)	(65)	(69)
Other income	5	129	-	-
Administrative expenses		(1,353)	(858)	(1,848)
Operating loss		(1,301)	(923)	(1,917)
Memorandum:				
Adjusted EBITDA		(455)	(770)	(1,582)
Amortisation		(86)	(76)	(168)
Depreciation		(10)	-	(1)
Share based payments		(332)	(72)	(133)
Transaction costs	6	(418)	(5)	(33)
Operating loss		(1,301)	(923)	(1,917)
Finance costs		(1)	(15)	(11)
Finance income		189	-	-
Loss before taxation		(1,113)	(938)	(1,928)
Tax (charge)/credit		(4)	-	-
Loss for the period from continuing operations		(1,117)	(938)	(1,928)
Discontinued operations				
Profit after tax from discontinued operations	4	15,177	447	1,267
Profit/(loss) for the period		14,060	(491)	(661)
Other comprehensive income / (expense) for the period				
Profit/(loss) on translation of subsidiaries		(285)	(51)	129
Cumulative translation differences transferred to the income statement on disposal of subsidiaries		155	-	-
Total comprehensive expense for the period		13,930	(542)	(532)

*The results for the six months ended 30 June 2022 have been restated for consistency with the 30 June 2023 and 31 December 2022 results (refer to note 2).

LET'S EXPLORE GROUP PLC
CONSOLIDATED INCOME STATEMENT (CONTINUED)
for the six months ended 30 June 2023

	Notes	Unaudited Six months to 30 June 2023	Restated Unaudited Six months to 30 June 2022	Audited 12 months to 31 December 2022
Earnings/(loss) per share	7	£0.01	£0.01	£0.01
From continuing and discontinued operations				
Basic EPS		3.50	(0.12)	(0.16)
Diluted EPS		3.50	(0.12)	(0.16)
From continuing operations				
Basic EPS		(0.28)	(0.23)	(0.46)
Diluted EPS		(0.28)	(0.23)	(0.46)
From discontinued operations				
Basic EPS		3.78	0.11	0.30
Diluted EPS		3.78	0.11	0.30

**The results for the six months ended 30 June 2022 have been restated for consistency with the 30 June 2023 and 31 December 2022 results (refer to note 2).*

LET'S EXPLORE GROUP PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the six months ended 30 June 2023
(Unaudited)

	Share capital £'000	Share premium £'000	Foreign exchange reserve £'000	Capital redemption reserve £'000	Retained (deficit)/ earnings £'000	Total equity £'000
Balance at 1 January 2022	166	20,556	(36)	-	(14,966)	5,720
Loss for the period (restated)*	-	-	-	-	(491)	(491)
Currency translation of overseas subsidiary	-	-	180	-	-	180
Share based payment expense	-	-	-	-	72	72
Balance at 30 June 2022 (restated)*	166	20,556	144	-	(15,385)	5,481
Loss for the period	-	-	-	-	(170)	(170)
Share based payment expense	-	-	-	-	61	61
Currency translation of overseas subsidiary	-	-	(51)	-	-	(51)
Balance at 31 December 2022	166	20,556	93	-	(15,494)	5,321
Profit for the period	-	-	-	-	14,060	14,060
Currency translation of overseas subsidiary	-	-	(285)	-	-	(285)
Cumulative translation differences transferred to the income statement on disposal of subsidiaries	-	-	155	-	-	155
Issue of new shares	19	1,159	-	-	-	1,178
Reduction in share premium	-	(20,572)	-	-	20,572	-
Buyback and cancellation of shares	(109)	-	-	109	(12,527)	(12,527)
Share based payment expense	-	-	-	-	332	332
Balance at 30 June 2023	76	1,143	(37)	109	6,943	8,234

*The results for the six months ended 30 June 2022 have been restated for consistency with the 30 June 2023 and 31 December 2022 results (refer to note 2).

LET'S EXPLORE GROUP PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2023

	Notes	Unaudited 30 June 2023 £'000	Restated* Unaudited 30 June 2022 £'000	Audited 31 December 2022 £'000
ASSETS				
Non-current assets				
Property, plant and equipment	8	152	1,595	3
Intangible assets	9	159	3,252	214
Total non-current assets		311	4,847	217
Current assets				
Inventories		47	145	67
Trade and other receivables	10	1,594	966	786
Contract assets		17	530	2
Cash and cash equivalents		6,827	418	51
Total current assets		8,485	2,059	906
Assets held for sale		-	157	6,362
Total assets		8,796	7,063	7,485
LIABILITIES				
Current liabilities				
Trade and other payables	11	(529)	(1,184)	(786)
Finance leases		-	(61)	-
Loans		(10)	(98)	(45)
Contract liabilities		-	(20)	(7)
Total current liabilities		(539)	(1,363)	(838)
Non-current liabilities				
Loans		(23)	(162)	(28)
Lease liabilities		-	-	-
Total non-current liabilities		(23)	(162)	(28)
Liabilities associated with assets held for sale		-	(57)	(1,298)
Total liabilities		(562)	(1,582)	(2,164)
NET ASSETS		8,234	5,481	5,321
CAPITAL AND RESERVES				
ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT				
Share capital	12	76	166	166
Share premium account	13	1,143	20,556	20,556
Foreign exchange reserve	13	(37)	144	93
Capital redemption reserve	13	109	-	-
Retained earnings	13	6,943	(15,385)	(15,494)
TOTAL EQUITY		8,234	5,481	5,321

*The results for the six months ended 30 June 2022 have been restated for consistency with the 30 June 2023 and 31 December 2022 results (refer to note 2).

LET'S EXPLORE GROUP PLC
CONSOLIDATED CASH FLOW STATEMENT
for the six months ended 30 June 2023

	Unaudited Six months to 30 June 2023 £'000	Restated* Unaudited Six months to 30 June 2022 £'000	Audited 12 months to 31 December 2022 £'000
OPERATING ACTIVITIES			
Loss before tax from continuing operations	(1,113)	(938)	(1,928)
Loss before tax from discontinued operations	15,185	451	1,297
Adjustments for:			
Amortisation	125	304	601
Depreciation	183	501	1,036
Impairment	-	26	176
Loss/(gain) on disposal of non-current assets	3	(8)	(19)
Gain on disposal of subsidiary undertakings	(15,115)	-	-
Share based payments	332	72	133
Net foreign exchange differences	(285)	100	37
Finance costs	5	15	37
Finance income	(189)	-	(1)
Taxation (paid)/refunded	(12)	(3)	14
Operating profit/(loss) before changes in working capital and provisions	(881)	520	1,383
(Increase)/decrease in inventories	36	(124)	(11)
(Increase)/decrease in receivables and contract assets	(603)	321	(46)
Increase/(decrease) in payables and contract liabilities	(427)	(120)	278
Net cash flows from / (used in) operating activities	(1,875)	597	1,604
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(266)	(859)	(1,797)
Purchase of intangible assets	(100)	(274)	(510)
Proceeds from sale of property, plant and equipment	-	9	24
Proceeds from sale of subsidiary undertakings	20,321	-	-
Cash disposed on sale of subsidiary undertakings	(354)	-	-
Net cash flows from investing activities	19,601	(1,124)	(2,283)
FINANCING ACTIVITIES			
Finance costs	(5)	(15)	(37)
Finance income	189	-	1
New loans and finance leases	-	101	328
Loan repayments	(42)	(152)	(204)
Finance lease repayments	(21)	(124)	(218)
Foreign exchange on retranslation of financing	-	36	39
Issue of ordinary shares	1,178	-	-
Share buybacks	(12,527)	-	-
Net cash flows from financing activities	(11,228)	(154)	(91)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	6,498	(681)	(770)
Cash and cash equivalents brought forward	329	1,099	1,099
CASH AND CASH EQUIVALENTS CARRIED FORWARD	6,827	418	329

*The results for the six months ended 30 June 2022 have been restated for consistency with the 30 June 2023 and 31 December 2022 results (refer to note 2).

LET'S EXPLORE GROUP PLC
NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
for the six months ended 30 June 2023

1 Corporate information

The interim consolidated financial statements of the Group for the period ended 30 June 2023 were authorised for issue in accordance with a resolution of the directors on 27 September 2023. Let's Explore Group plc ("the Company") is a Public Limited Company quoted on AIM, incorporated in England and Wales. The interim consolidated financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006.

2 Statement of accounting policies

2.1 Basis of preparation

The interim consolidated financial statements of the Group for the six months ended 30 June 2023 have been prepared in accordance with the UK-adopted International Accounting Standard 34 *Interim Financial Reporting*.

The entities consolidated in the interim financial statements of the Group for the six months to 30 June 2023 comprise the Company and its subsidiaries (together referred to as "the Group").

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual audited consolidated financial statements for the year ended 31 December 2022.

The directors are satisfied that, at the time of approving the interim consolidated financial statements, it is appropriate to adopt a going concern basis in accordance with the recognition and measurement criteria of International Financial Reporting Standards ("IFRS") as adopted by the European Union.

In reaching this conclusion, the directors considered the financial position of the Group and prepared forecasts and projections for the next 12 months, taking into account reasonably possible changes in trading performance and capital expenditure requirements.

The financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

2.2 Accounting policies

The principal accounting policies adopted in the preparation of these interim statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022 other than the Group has adopted amended financial standards effective as of 1 January 2023. None of the amendments adopted on 1 January 2023 have had a material impact on the interim statements of the Group.

The preparation of these consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates in preparing these consolidated interim financial statements.

Discontinued operations

On 2 February 2023, the Company announced that it had completed the sale of the Uvisan division for cash consideration of £100,000.

On 1 March 2023, the Company announced the completion of the sale of the Location Based Entertainment (LBE) virtual reality division for consideration of \$25,119,739. The sale proceeds were comprised of cash paid at completion of \$23,869,739 and a loan note of \$1,250,000 repayable 12 months following completion, subject to any price adjustments under the terms of the sale and purchase agreement.

The LBE and Uvisan results have been separated from those of continuing operations and are shown as discontinued operations within the consolidated income statement. Comparative periods within the consolidated income statement have been restated accordingly. Further information on discontinued operations is contained in note 4.

2 Statement of accounting policies (continued)

Restatement of prior period comparative figures for the six months to 30 June 2022

The prior period comparative figures for the six months to 30 June 2022 have been restated for consistency with the current reporting period.

When the results for the six months to 30 June 2022 were originally released, the Home Based Entertainment (HBE) and Uvisan divisions were recognised in discontinued operations and assets held for sale. An impairment charge of £155,000 against the net realisable value of the HBE business was recognised in the accounts at the time, assessed against the expected sale proceeds had the disposal taken place.

The comparative figures for the six months to 30 June 2022 have been restated to recognise the LBE and Uvisan businesses in discontinued operations. The Uvisan business is included in assets held for sale as the decision to discontinue that division was made prior to 30 June 2022.

The restated figures no longer include HBE in assets held for sale and the directors are of the opinion that impairment of the division's net assets would not be appropriate at the time if the division was held as a continuing operation.

A reconciliation of the restated comparative figures to the original published figures shows below:

	Six months to 30 June 2022 £'000
Loss after tax from total operations originally reported	(646)
Reversal of impairment of HBE assets held for sale	155
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Restated Loss after tax from total operations	(491)
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3 Segmental information

The Group's primary reporting format for segmental information is business segments which reflect the management reporting structure in the Group. The information for discontinued segments is aggregated and shown as a separate segment.

Six months to 30 June 2023

	Home Based Entertainment £'000	Head Office £'000	Total Continuing Operations £'000	Discontinued Operations £'000	Total Operations £'000
Revenue	62	-	62	1,626	1,688
Cost of sales	(139)	-	(139)	(924)	(1,063)
Gross profit	(77)	-	(77)	702	625
Other income	-	129	129	-	129
Admin expenses*	(98)	(409)	(507)	(390)	(897)
Adjusted EBITDA**	(175)	(280)	(455)	312	(143)
Amortisation	(84)	(2)	(86)	(39)	(125)
Depreciation	(1)	(9)	(10)	(173)	(183)
Loss on disposal of assets	-	-	-	(3)	(3)
Gain on disposal of subsidiaries	-	-	-	15,115	15,115
Share based payments	-	(332)	(332)	-	(332)
One-off costs	-	(418)	(418)	(23)	(441)
Finance costs	-	(1)	(1)	(4)	(5)
Finance income	-	189	189	-	189
Taxation	(4)	-	(4)	(8)	(12)
Profit/(loss) for the period	(264)	(853)	(1,117)	15,177	14,060

The segments included within discontinued operations were the Location Based Entertainment (LBE) VR and Uvisan businesses.

*Administrative expenses exclude depreciation, amortisation, impairment, gains/losses on disposal, share based payments and one-off costs.

**Adjusted EBITDA is a non-GAAP metric.

3 Segment information (continued)

Geographical disclosures

The geographical breakdown of the Group's revenue, assets and net tangible capital expenditure is as follows.

	External revenue by location of customer			Location of assets			Net tangible capital expenditure by location of assets		
	30 June	Restated	31 Dec	30 June	Restated	31 Dec	30 June	Restated	31 Dec
	2023	30 June	2022	2023	30 June	2022	2023	30 June	2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
UK	59	36	396	8,763	4,199	1,062	159	51	3
USA & Canada	3	67	400	33	2,682	61	-	792	-
Australia	-	-	-	-	5	-	-	6	-
Rest of Europe	-	-	-	-	15	-	-	-	-
Middle East	-	-	-	-	5	-	-	-	-
Assets held for sale	-	-	-	-	157	6,362	-	10	1,794
Total	62	103	796	8,796	7,063	7,485	159	859	1,797

The Group had certain customers whose revenue individually represented 10% or more of the Group's total revenue. For the six months ended 30 June 2023, one customer accounted for 94% of total revenue.

4 Discontinued operations

The Location Based Entertainment (LBE) and Uvisan businesses were sold during the six months to 30 June 2023. The results for these businesses have been excluded from the continuing results of the Group for the period ended 30 June 2023. The results for the periods ended 30 June 2022 and 31 December 2022 have been restated to exclude the results of these businesses from the continuing operations of the Group in those periods.

Summary income statement

The results for LBE and Uvisan included in the income statement as discontinued operations are as follows:

	LBE	Uvisan	Unaudited Total Six months to 30 June 2023	Restated Unaudited Total Six months to 30 June 2022	Audited Total 12 months to 31 Dec 2022
	£'000	£'000	£'000	£'000	£'000
Discontinued operations					
Revenue	1,532	94	1,626	4,749	10,781
Cost of sales	(886)	(38)	(924)	(2,550)	(5,696)
Other income	-	-	-	26	39
Admin expenses*	(367)	(23)	(390)	(1,020)	(2,167)
Adjusted EBITDA**	279	33	312	1,205	2,957
Amortisation	(37)	(2)	(39)	(228)	(433)
Depreciation	(172)	(1)	(173)	(501)	(1,035)
Impairment	-	-	-	(26)	(175)
Gain on disposal of assets	(3)	-	(3)	8	19
One-off costs	-	(23)	(23)	(7)	(12)
Finance costs	(4)	-	(4)	-	(25)
Finance income	-	-	-	-	1
Taxation	(8)	-	(8)	(3)	(30)
Profit from discontinued operations before disposal of subsidiaries	55	7	62	448	1,267
Gain on disposal of subsidiaries	15,073	42	15,115	-	-
Profit from discontinued operations	15,128	49	15,177	448	1,267

*Administrative expenses exclude depreciation, amortisation, impairment, gains/losses on disposal, share based payments and one-off costs.

**Adjusted EBITDA is a non-GAAP metric.

4 Discontinued operations (continued)

Summary cash flow statement

The results for LBE and Uvisan included in the cash flow statement are as follows:

	LBE	Uvisan	Unaudited Total Six months to 30 June 2023 £'000	Restated Unaudited Total Six months to 30 June 2022 £'000	Audited Total 12 months to 31 Dec 2022 £'000
Discontinued operations	£'000	£'000	£'000	£'000	£'000
Operating activities	(44)	58	14	1,417	3,216
Investing activities	19,716	(29)	19,687	(1,187)	(2,070)
Financing activities	(27)	-	(27)	(230)	(105)
Net cash inflow/(outflow)	19,645	29	19,674	-	1,041

5 Other income

	Unaudited Six months to 30 June 2023 £'000	Restated Unaudited Six months to 30 June 2022 £'000	Audited 12 months to 31 Dec 2022 £'000
Continuing operations			
Transitional services provided to disposed subsidiaries	129	-	-
	129	-	-

6 Transaction costs

	Unaudited Six months to 30 June 2023 £'000	Restated Unaudited Six months to 30 June 2022 £'000	Audited 12 months to 31 Dec 2022 £'000
Continuing operations			
Costs related to the capital reduction and share buybacks	225	-	-
Bonuses awarded in relation to the LBE business sale	181	-	-
Costs relating to the LBE business sale	-	-	13
Aborted project costs	12	5	20
	418	5	33

7 Earnings per share

The calculation of the group basic and diluted loss per ordinary share is based on the following data:

	Unaudited Six months to 30 June 2023 £'000	Restated Unaudited Six months to 30 June 2022 £'000	Audited 12 months to 31 Dec 2022 £'000
Profit attributable to shareholders			
Continuing operations	(1,117)	(938)	(1,928)
Discontinued operations	15,177	448	1,267
Total profit attributable to shareholders	14,060	(490)	(661)
Basic weighted average number of shares	401,733,235	415,538,083	415,538,083
Diluted weighted average number of shares	450,865,644	474,267,283	473,775,097
	£0.01	£0.01	£0.01
Earnings per share			
Basic earnings per share	3.50	(0.12)	(0.16)
Diluted earnings per share	3.50	(0.12)	(0.16)
Earnings per share from continuing operations			
Basic earnings per share from continuing operations	(0.28)	(0.23)	(0.46)
Diluted earnings per share from continuing operations	(0.28)	(0.23)	(0.46)
Earnings per share from discontinued operations			
Basic earnings per share from continuing operations	3.78	0.11	0.30
Diluted earnings per share from continuing operations	3.78	0.11	0.30

Earnings per ordinary share has been calculated using the weighted average number of shares in issue during the period. The weighted average number of equity shares in issue in the period to 30 June 2023 was 401,733,235.

8 Property, plant and equipment

	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Total £'000
Cost			
At 1 January 2023	3	-	3
Additions	3	156	159
At 30 June 2023	6	156	162
Depreciation			
At 1 January 2023	-	-	-
Depreciation of owned assets	1	9	10
At 30 June 2023	1	9	10
Net book value			
30 June 2023	5	147	152
31 December 2022	3	-	3

The method of depreciation for each class of depreciable asset is:

Fixtures, fittings and equipment	- three years on a straight-line basis
Motor vehicles	- seven years on a straight-line basis

9 Intangible assets

	Development costs £'000	Other intangible assets £'000	Total £'000
Cost			
At 1 January 2023	454	29	483
Additions	36	1	37
Transfers	-	7	7
Disposals	-	(14)	(14)
At 30 June 2023	490	23	513
Amortisation			
At 1 January 2023	255	14	269
Amortisation charge	78	8	86
Transfers	-	5	5
Disposals	-	(6)	(6)
At 30 June 2023	333	21	354
Net book value			
30 June 2023	157	2	159
31 December 2022	199	15	214

Development costs are comprised of software, virtual reality and augmented reality content. Development costs are amortised on a straight-line basis over 3 years. No amortisation is charged against projects which are still in development.

Other intangible assets comprise website development and trademark costs. Website development costs are amortised over 3 years and trademark costs over 2 years.

Amortisation is charged to administrative costs in the Consolidated Statement of Comprehensive income.

10 Trade and other receivables

	Unaudited 30 June 2023 £'000	Unaudited 30 June 2022 £'000	Audited 31 Dec 2022 £'000
Trade receivables	81	422	403
Prepayments	103	435	304
Corporation tax	-	23	-
Other receivables	1,410	86	79
	<u>1,594</u>	<u>966</u>	<u>786</u>

11 Trade and other payables

	Unaudited 30 June 2023 £'000	Unaudited 30 June 2022 £'000	Audited 31 Dec 2022 £'000
Trade payables	54	272	464
Accruals	173	575	288
Taxation and social security	296	176	31
Other payables	6	161	3
	<u>529</u>	<u>1,184</u>	<u>786</u>

12 Share capital

	Shares	£'000
Ordinary shares of 0.040108663 pence issued and fully paid up		
As at 1 January 2023	415,538,083	166
Share options exercised at 2.5p per share	47,125,978	19
Buyback and cancellation of shares at 3.65p per share	(34,941,026)	(14)
Buyback and cancellation of shares at 4.75p per share	(236,873,162)	(95)
As at 30 June 2023	<u>190,849,873</u>	<u>76</u>

13 Reserves

Full details of movements in reserves are set out in the consolidated statement of changes in equity. The following describes the nature and purpose of each reserve within owners' equity:

Share premium: the amount subscribed for share capital in excess of nominal value.

Foreign exchange reserve: reserve arising on translation of the Group's overseas subsidiaries.

Capital redemption reserve: the nominal value of cancelled ordinary shares.

Retained earnings: cumulative net gains and losses recognised in the consolidated statement of comprehensive income.

14 Related party transactions

M J Higginson, a director of Let's Explore Group plc, is a director and controlling shareholder of M Capital Investment Properties Limited. Services to the value of £12,000 (year to 31 December 2022: £43,000) were invoiced in the period by M Capital Investment Properties Limited to Let's Explore Group plc. At 30 June 2023, Let's Explore Group plc owed £Nil (31 December 2022: £Nil) to M Capital Investment Properties Limited.

R Miller, a director of Let's Explore Group plc, is a director of Robin Miller Consultants Ltd. In the period, services totalling £19,000 (year to 31 December 2022: £16,000) were billed to Let's Explore Group plc from Robin Miller Consultants Ltd. At 30 June 2023, £Nil (31 December 2022: £Nil) was owing from Let's Explore Group plc to Robin Miller Consultants Ltd.

M J Higginson and D F G Wortley, both directors of Let's Explore Group plc, are directors and shareholders in Huddled Group Limited. Services to the value of £3,000 (year to 31 December 2022: £279,000) were invoiced in the period by Huddled Group Limited to Let's Explore Group plc. At 30 June 2023, the Group owed £Nil (31 December 2021: £196,000) to Huddled Group Limited.

D Marks, a director of Let's Explore Group plc, was advanced a loan in a prior period. Interest is currently charged on the loan at 2% per annum. At 30 June 2023, D Marks owed £16,000 (31 December 2022: £16,000) inclusive of interest, to the Group.

D F G Wortley, a director of Let's Explore Group plc, was advanced a loan in a prior period. Interest is currently charged on the loan at 2% per annum. At 30 June 2023, D F G Wortley owed £5,000 (31 December 2022: £5,000) inclusive of interest, to the Group.

The key management personnel are considered to be the Board of Directors. The total amounts paid to key management personnel during the period was £580,000, which includes £160,000 paid in bonuses for the successful completion of the sale of the LBE business for \$25.1m. The total amounts paid to key management personnel during the year to 31 December 2022 was £942,000.