30 January 2020

REACT GROUP PLC

Publication of 2019 Report & Accounts

The Board of REACT Group PLC has today published the Report & Accounts for the year ended 30 September 2019.

The accounts, which will be sent to shareholders who have elected to receive a hard copy, are otherwise available also from the Company Secretary at c/o International Registrars Limited, Finsgate, 5-7 Cranwood Street London EC1V 9EE and are also available on the Company's website: www.reactplc.co.uk. Extracts are set out below.

Notice of the Annual General Meeting, which will be held at 11.00 a.m on Tuesday 26 February 2020, at Hyatt Place, Gate House, 27 Uxbridge Road, Hayes, UB4 0JN is also available on the Company's website.

For further information, please contact:

REACT Group: Gill Leates – Executive Chairman	07799 662642
SPARK Advisory Partners Limited (nominated adviser) Neil Baldwin	0113 370 8974
Peterhouse Capital (Broker) Duncan Vasey/Martin Lampshire	0207 459 0930

Executive Chairman's Statement
For the year ended 30 September 2019

The financial year of 2019 has been one of continued efforts to maximise cost efficiencies, where appropriate, refocusing the business on higher margin work in sectors where our services are valued the most and are most profitable. This has led to a slight fall in turnover, whilst gross margins and operating profits have materially improved.

Turnover for the year ended 30 September 2019 was £3.10m (2018: £3.30m) as unprofitable work has been discontinued. Gross margins however were 750-basis points higher at 28.5% (2018: 21.0%) and operating performance has materially improved to a loss of £183,000 (2018: loss of £1,951,000). Excluding exceptional items, the operating losses were £178,000 in 2019 (2018: £614,000).

The Company has retained its most significant clients, and whilst the public sector remains an important focus for the Company it has also expanded its reach in the private sector. A new framework agreement has been signed with an additional NHS Trust and REACT has been added to a number of approved-supplier lists for Tier-1 clients. This has led to the Company working for a broader client base from which it has the potential to grow organically. In addition, we have augmented the Company's own operator network by establishing agreements with several small high-quality subcontractors, which has allowed the Company to increase capacity and geographical reach using a flexible and more efficient cost base.

New business activity has resulted in the Company taking on larger pieces of bespoke work. Examples include the cleaning of a large food production factory and specialist lift cleaning. As a newly appointed supplier, the company has successfully been engaged to carry out an ongoing clean on behalf of a large facilities management company. Furthermore, in addition to the large London hospital where our teams have been working for over two years, we now are working with another two hospitals, one in the private sector and one in the public sector.

The most recent and significant new business has been the award of a half a million pound contract to provide specialist deep cleaning services to one of the Company's Tier-1 clients in the rail sector. Announced on 23 January 2020, this contract demonstrates that the quality and capability of our specialist cleaning teams is recognised as amongst the very best in the industry.

I am also delighted to report on the strong performance of the new management team, comprising Shaun Doak BA(Hons) and Andrea Pankhurst BSc(Hons) FCA; Shaun joined as Managing Director of the trading subsidiary, REACT Specialist Cleaning Limited (RSC), in March 2019 and rapidly settled into his role. With significant experience in building successful Customer-centric service businesses, he has led from the front to execute the Company's strategy to grow business in specialist markets that attract higher margins. Alongside Shaun's efforts to develop stronger relationships with existing Customers and developing new ones, he continues to strengthen the management team to improve the quality of performance and operational efficiency. As a result, we enter 2020 with a greater degree of confidence that we have the foundations on which we can invest in sales growth and build scale.

Equally, the appointment of Andrea as Financial Director of RSC, in January 2019 has been very important to the continued improvement of the Group's financial results. Andrea has worked with Shaun to analyse the true margins of our work, continued to identify cost efficiencies, and with her team focused on recovery of the very old debt and work in progress that the Company had made provision for last year.

I am therefore very pleased to report to shareholders that the financial control and reporting function, is now consistently operating to a high standard.

Financial Review

During the year ended 30 September 2019 turnover was £3.10m, a small decrease of 6% on the prior year (2018: £3.30m). The business has continued to eliminate lower margin customer contracts and focus on more profitable work. The operating loss for the Group from continuing operations (after exceptional items) was £183,000 (2018: £1,951,000), which includes a bad debt provision of £83,000 (2018: £339,000). Of the £339,000 provision as at 30 September 2018, £189,000 has been collected, £131,000 was found to be uncollectable and in addition to the remaining £20,000, a further £63,000 has been provided as at 30 September 2019, mainly against a currently disputed debt. This provision is deemed to be prudent given the level and ageing profile of debtors outstanding at the year end. Many of the problem debts at the previous year end have now either been resolved or written off as required from the balances previously provided for. Cash at the year-end was £440,000 (2018: £423,000). Within these figures the Company has continued to improve both the operational and administrative functions of the business.

Strategy

Last year the Company simplified its business model from three operating businesses to just one, focusing all its resource on the REACT Specialist Cleaning business, where the Company provides a strong competitive proposition and enjoys good customer advocacy within a broad mix of often high-profile Tier-1 organisations in both the private and public sector.

REACT Group has core skills and experience in specialist cleaning beyond many of our competitors, allowing us to be a reliable solution to the challenging circumstances that arise across the Company's client base. REACT Group is an extreme cleaning Company that tackles cleaning problems that non-specialists cannot or do not wish to cope with. Our highly trained operators deal with many difficult, yet essential cleaning tasks, across a broad range of circumstances, including on the UK's transport system, in prisons and custody cells, at crime scenes, clearing drug dens and property damaged by tenants and squatters, specialist vehicle cleans, clearing anti-social waste and damage in public spaces and both routine and specialist cleaning in hospitals and the health service. Approximately half the business turnover comes from 24/7 emergency specialist cleaning and the other half arises from several long-term specialist contracts for various public and private clients.

The Board's commitment, made in last year's report, to invest in targeted sales and marketing resource has begun with the recruitment of Shaun, with his sales and general management expertise. The business has

started to benefit from this realigned strategic approach. A more focused sales activity is being developed, which will lead to a pipeline of opportunities, Tier-1 clients and new supplier chains and networks.

The Board's strategy remains to grow both parts of the business organically and where appropriate, by acquisition.

Outlook

With a rationalised infrastructure, a fit-for-purpose and well-motivated management team and a competitive service proposition in an area of the market often ignored by competitors, we have established a solid platform from which we can now grow and move into profitability.

Gill Leates
Executive Chairman
29 January 2020

Consolidated Statement of Comprehensive Income
For the year ended 30 September 2019

	Notes	2019 £'000	2018 £'000
Continuing Operations			
Revenue from contracts with customers		3,103	3,295
Cost of sales		(2,218)	(2,602)
Gross profit		885	693
Administrative expenses	**5**	(1,068)	(2,644)
Exceptional costs included in administrative expenses	**5**	(5)	(1,337)
Operating loss for the year before income tax		(183)	(1,951)
Income tax credit	**6**	-	21
Loss for the year from continuing operations		(183)	(1,930)
Loss for the year		**(183)**	**(1,930)**
Total comprehensive loss for the year attributable to the owners of the company		**(183)**	**(1,930)**
Basic and diluted loss per share - pence			
From continuing operations	**7**	0.04p	0.67p

Consolidated Statement of Financial Position
As at 30 September 2019

	Notes	2019 £'000	2018 £'000
ASSETS			
Non-current assets			
Intangible assets	**9**	174	174
Property, plant & equipment	**10**	81	116
		255	290
Current assets			
Trade and other receivables	**12**	718	1,141
Cash at bank and in hand	**14**	440	423
		1,158	1,564
TOTAL ASSETS		1,413	1,854
EQUITY			
Shareholders' Equity			
Called up share capital	**15**	1,039	1,039
Share premium		4,926	4,926
Reverse acquisition reserve		(5,726)	(5,726)
Capital redemption reserve		3,337	3,337
Merger relief reserve		1,328	1,328
Share based payments		12	20
Accumulated deficit		(4,038)	(3,863)
Total Equity		878	1,061
LIABILITIES			
Current liabilities			
Trade and other payables	**16**	535	793
Non - current Liabilities			
Deferred tax liability	**17**	-	-
TOTAL LIABILITIES		535	793
TOTAL EQUITY AND LIABILITIES		1,413	1,854

These financial statements were approved by the Board of Directors on 29 January 2020 and were signed on its behalf by:

Gill Leates
Director

Consolidated Statement of Changes in Equity
For the year ended 30 September 2019

	Share capital £'000	Share Premium £'000	Merger Relief Reserve £'000	Capital Redemption Reserve £'000	Reverse Acquisition Reserve £'000	Share based payments £'000	Accumulated deficit £'000	Total equity £'000
Balance at 1 October 2017	689	4,889	1,328	3,337	(5,726)	22	(1,935)	2,604
Issue of shares	350	70	-	-	-	-	-	420
Share issue expenses	-	(33)	-	-	-	-	-	(33)
Loss for the year	-	-	-	-	-	-	(1,930)	(1,930)
On lapse of options	-	-	-	-	-	(2)	2	-
Balance at 30 September 2018	1,039	4,926	1,328	3,337	(5,726)	20	(3,863)	1,061
Balance at 1 October 2018	1,039	4,926	1,328	3,337	(5,726)	20	(3,863)	1,061
Issue of options						2	(2)	-
On surrender of warrants						(10)	10	-
Loss for the period	-	-	-	-	-	-	(183)	(183)
Balance at 30 September 2019	1,039	4,926	1,328	3,337	(5,726)	12	(4,038)	878

Share capital is the amount subscribed for shares at nominal value. Share premium represents amounts subscribed for share capital in excess of nominal value.

Merger relief reserve arises from the 100% acquisition of REACT SC Holdings Limited and REACT Specialist Cleaning Limited in August 2015 whereby the excess of the fair value of the issued ordinary share capital issued over the nominal value of these shares is transferred to this reserve in accordance with section 612 of the Companies Act 2006.

Accumulated deficit represents the cumulative losses of the Group attributable to the owners of the company.

Reverse acquisition reserve is the effect on equity of the reverse acquisition of REACT Specialist Cleaning Limited.

The capital redemption reserve represents the value of deferred shares cancelled as a result of a share buyback.

Consolidated Statement of Cash Flows
For the year ended 30 September 2019

	Notes	2019 £'000	2018 £'000
Cash flows from operating activities			
Cash generated/(utilised) by operations	**1**	34	(625)
Net cash inflow/(outflow) from operating activities		34	(625)
Cash flows from financing activities			
Proceeds of share issue		-	420

Expenses of share issue		-	(33)
Other loans		-	69
Other loan repayments		-	(21)
Net cash inflow from financing activities		-	435
Cash flows from investing activities			
Disposal of fixed assets		8	20
Capital expenditure		(25)	(38)
Net cash outflow from investing activities		(17)	(18)
Increase/(Decrease) in cash and cash equivalents		17	(208)
Cash and cash equivalents at beginning of year		423	631
Cash and cash equivalents at end of year	**2**	440	423

Notes to the Consolidated Statement of Cash Flows
For the year ended 30 September 2019

1. Reconciliation of loss before income tax to cash outflow from operations

	2019 £'000	**2018 £'000**
Loss before taxation	(183)	(1,951)
Decrease/(Increase) in trade and other receivables	441	(649)
(Decrease)/Increase in trade and other payables	(275)	615
Depreciation and amortisation charges	52	1,350
(Profit)/Loss on disposal of fixed assets	(3)	10
Share based payment	2	-
Net cash inflow/(outflow) from operations	34	(625)

2. Cash and cash equivalents

	2019 £'000	**2018 £'000**
Cash at bank and in hand	440	423

Company Statement of Financial Position
As at 30 September 2019

	Notes	As at 30 September 2019 £'000	As at 30 September 2018 £'000
ASSETS			
Non-current assets			
Investments	**11**	174	174
Property, plant and equipment	**10**	13	17
		187	191
CURRENT ASSETS			
Trade and other receivables	**12**	38	42
Cash at bank and in hand	**14**	256	248
		294	290
TOTAL ASSETS		481	481
EQUITY			
Shareholders' Equity			
Called up share capital	**15**	1,039	1,039
Share premium		4,926	4,926
Merger relief reserve		1,328	1,328
Capital redemption reserve		3,337	3,337
Share based payments		12	20
Accumulated deficit		(10,198)	(10,280)
Total Equity		444	370
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	**16**	37	111
TOTAL LIABILITITES		37	111
TOTAL EQUITY AND LIABILITIES		481	481

These financial statements were approved and authorised for issue by the Board of Directors on 29 January 2020 and were signed on its behalf by:

Gill Leates
Director

Company Statement of Changes in Equity
For the year ended 30 September 2019

Called up Share capital	Share Premium	Merger Relief Reserve	Capital redemption reserve	Share based payments	Accumulated deficit	Total equity
£'000	£'000	£'000	£'000	£'000	£'000	£'000

Balance at 1 October 2017	689	4,889	1,328	3,337	22	(7,471)	2,794
Issue of shares	350	70	-	-	-	-	420
Expenses of share issue	-	(33)	-	-	-	-	(33)
On lapse of options	-	-	-	-	(2)	2	-
Loss for the year	-	-	-	-	-	(2,811)	(2,811)
Balance at 30 September 2018	1,039	4,926	1,328	3,337	20	(10,280)	370
Balance at 1 October 2018	1,039	4,926	1,328	3,337	20	(10,280)	370
On surrender of warrants	-	-	-	-	(10)	10	-
Issue of options	-	-	-	-	2	(2)	-
Profit for the year	-	-	-	-	-	74	74
Balance at 30 September 2019	1,039	4,926	1,328	3,337	12	(10,198)	444

Share capital is the amount subscribed for shares at nominal value. Share premium represents amounts subscribed for share capital in excess of nominal value.

Merger relief reserve arises from the 100% acquisition of REACT SC Holdings Limited and REACT Specialist Cleaning Limited in August 2015 whereby the excess of the fair value of the issued ordinary share capital issued over the nominal value of these shares is transferred to this reserve in accordance with section 612 of the Companies Act 2006.

Accumulated deficit represents the cumulative losses of the company attributable to the owners of the company.

The capital redemption reserve represents the value of deferred shares cancelled as a result of a share buyback.

Company Statement of Cash Flows
For the year ended 30 September 2019

	Notes	Year ended 30 September 2019 £'000	Year ended 30 September 2018 £'000
Cash flows from operating activities			
Cash generated/(utilised) by operations	**1**	8	(647)
Net cash inflow/(outflow) from operating activities		8	(647)
Cash flows from investing activities			
Purchase of fixed assets		-	(21)
Net cash outflow from investing activities		-	(21)
Cash flows from financing activities			
Issue of shares		-	420
Expenses of share issue		-	(33)
Net cash inflow from financing activities		-	387

Increase/(decrease) in cash and equivalents		8	(281)
Cash and cash equivalents at beginning of year		248	529
Cash and cash equivalents at end of year	**2**	256	248

Notes to the Company Statement of Cash Flows

1. Reconciliation of profit/(loss) before income tax to cash generated from operations

	2019 £'000	**2018 £'000**
Operating profit/(loss)	74	(2,811)
Increase in trade and other receivables	(4)	(401)
Decrease in trade and other payables	(75)	(45)
Provision against amounts owed by group companies	7	1,219
Impairment of Investment value	-	1,386
Share based payment	2	-
Depreciation	4	5
Net cash inflow/(outflow) from operations	8	(647)

2. Cash and cash equivalents

	2019 £'000	**2018 £'000**
Cash at bank and in hand	256	248

Notes to the Financial Statements
For the year ended 30 September 2019

1. General Information

Basis of preparation and consolidation

The Company is based in the United Kingdom and has been incorporated in England and Wales. Details of the registered office, the officers and advisors to the Company are presented on the Company Information page at the start of this report.

The consolidated financial statements present the results of the company and its subsidiaries ('the Group') as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full. Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to

affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The equity structure appearing in the Group financial statements reflects the equity structure of the legal parent, REACT Group PLC, including the equity instruments issued in order to effect reverse acquisition accounting. The merger relief reserve represents a premium on the issue of the ordinary shares for the acquisition of subsidiary undertakings. The relief is only available to the issuing company securing at least a 90% equity holding in the acquired undertaking in pursuance of an arrangement providing for the allotment of equity shares in the issuing company on terms that the consideration for the shares allotted is to be provided by the issue of equity shares in the other company.

2. Accounting Policies

Statement of compliance

The consolidated financial statements of REACT Group PLC have been prepared in accordance with International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs) and International Financial Reporting Interpretations Committee (IFRIC) interpretations (collectively 'IFRSs') as adopted for use in the European Union and as issued by the International Accounting Standards Board and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

Basis of preparation

The financial statements have been prepared under the historical cost convention. The principal accounting policies are summarised below. They have all been applied consistently throughout the period under review.

Going concern

Following its review of the Group's financial plans and forecast growth and the new management team in place, the Board has a good expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The new significant contract win announced on 23 January 2020 and access to a new financing facility obtained since the year end also support this opinion. Therefore, the financial statements do not include any adjustments that would result if the Group was unable to continue as a going concern.

New, amended standards, interpretations not adopted by the Group

The following Adopted IFRSs have been issued but have not been applied by the Group in these Financial Statements. The full impact of their adoption has not yet been fully assessed; however, management do not expect the changes to have a material effect on the Financial Statements unless otherwise indicated:

- Annual Improvements to IFRSs – 2015-2017 Cycle (1 January 2019)
- Amendments to IAS 1 and IAS 8 – on definition of materiality (1 January 2019)
- Amendments to IAS 19 – employees benefits plan amendments, curtailments or settlements
- Amendments to IAS 28 on long term interests in associates and joint ventures
- Amendments to IFRS 3 "Business combinations" on definition of a business
- Amendments to IFRS 9, financial instruments on prepayment features with negative compensation
  IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration (effective date to be confirmed)
- Amendments to IAS 40 Investment Property (effective date to be confirmed)
- IFRIC 23 Uncertainty over Income Tax Treatments (1 January 2019)
- Amendments to IAS 28 Investments in Associates and Joint Ventures (effective date to be confirmed)
- IFRS 16 Leases (1 January 2019)
- IFRS 17 Insurance contracts (1 January 2021)

Impact of IFRS 16 - Leases

IFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019. Management have assessed the impact of the adoption of IFRS 16 in detail and conclude that as the only operating lease in place at the year end is not material, there is no impact on the Group's consolidated Financial Statements for either the year ended 30 September 2019 or on the prior year comparatives.

Changes in Accounting Policies and Disclosures

New and amended standards adopted by the Group

The Group has applied any applicable new standards, amendments to standards and interpretations that are mandatory for the financial year beginning on or after 1 January 2018. However, none of them has a material impact on the Group's Consolidated Financial Statements.

Impact of IFRS 15 – Revenue from contracts with customers

IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2018. Management have assessed the impact of the adoption of IFRS 15 in detail and conclude that there is no material impact on the Group's consolidated Financial Statements. Further there was no impact on prior year revenue. The approach was to undertake a detailed assessment of the core principles of IFRS 15 and test these against the existing revenue recognition policy for each type of revenue.

Impact of IFRS 9 – Financial Instruments

IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018. Management have assessed the credit loss model looking 12 months ahead with the trade receivable balances. The IFRS 9 impairment model requires impairment allowances for all exposures from the time a debt originated, based on the deterioration of credit risk since initial recognition. If the credit risk has not increased significantly, IFRS 9 requires allowances based on 12 months expected losses.

Revenue recognition

Revenue is recognised in according with the requirements of IFRS 15 'Revenue from Contracts with Customers'. The Company recognises revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework:

1. Identify the contract(s) with the customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognise revenue when (or as) the entity satisfy a performance obligation.

The Group recognises revenue in the accounting period in which its services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenues exclude intra-group sales and value added taxes and represent net invoice value less estimated rebates, returns and settlement discounts. The net invoice value is measured by reference to the fair value of consideration received or receivable by the Group for goods supplied.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current tax

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules using tax rates enacted or substantially enacted by the statement of financial position date. Income tax is recognised in the income statement or in equity if it relates to items that are recognised in the same or a different period, directly in equity. Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

(ii) Deferred tax

Deferred tax is provided, using the liability method, on temporary differences at the statement of financial position date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available

against which the deductible temporary difference, and the carrying forward or unused tax assets and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Conversely, previously unrecognised deferred tax assets are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Investments

Investments in subsidiaries are held at cost less any impairment.

Financial assets and liabilities

The Group classifies its financial assets at inception into three measurement categories; 'amortised cost', 'fair value through other comprehensive income' ('FVOCI') and 'fair value through profit and loss' ('FVTPL'). The Group classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost. Management determines the classification of its investments at initial recognition. A financial asset or financial liability is measured initially at fair value. At inception transaction cost that are directly attributable to its acquisition or issue, for an item not at fair value through profit or loss, is added to the fair value of the financial asset and deducted from the fair value of the financial liability.

Amortised cost measurement

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal payments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and maturity amount, minus any reduction for impairment.

Fair value measurement

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date. The fair value of assets and liabilities in active markets are based on current bid and offer prices respectively. If the market is not active the group establishes fair value by using appropriate valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same for which market observable prices exist, net present value and discounted cash flow analysis.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the group has transferred substantially all of the risks and rewards of ownership. In transaction in which the group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset. There have not been any instances where assets have only been partly derecognised. The group derecognises a financial liability when its contractual obligation are discharge, cancelled or expire.

Impairment

The Group assesses at each financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired. If there is objective experience (such as significant financial difficulty of obligor, breach of contract, or it becomes probable that debtor will enter bankruptcy), the asset is tested for impairment. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (that is, the effective interest rate computed at initial recognition).The carrying amount of the asset is reduced through use of an allowance account. The amount of loss is recognised in the Statement of Comprehensive Income.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Operating leases

Rent payable under operating leases is not recognised in the Group's Statement of Financial Position; such costs are expensed on a straight line basis over the term of the lease.

Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to the initial recognition, trade and receivables are measured at amortised cost less impairment losses for bad and doubtful debts, except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts. Impairment losses for bad and doubtful debts are measured as the difference between the carrying amount of financial asset and the estimated future cash flows, discounted where the effect of discounting is material.

Trade and other payables

Trade and other payables are initially recognised at fair value and thereafter stated in amortised cost, except where the payables are interest free loans made by related parties without any fixed repayment terms or the effect of discounting would be immaterial, in which case they are stated at cost.

Impairment of non-financial assets

At each statement of financial position date, the Group reviews the carrying amounts of its investments to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior periods. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Capital management

Capital is made up of stated capital, premium and retained earnings. The objective of the Group's capital management is to ensure that it maintains strong credit ratings and capital ratios. This will ensure that the business is correctly supported and shareholder value is maximised.

The Group manages its capital structure through adjustments that are dependent on economic conditions. In order to maintain or adjust the capital structure, the company may choose to change or amend dividend payments to shareholders or issue new share capital to shareholders. There were no changes to the objectives, policies or processes during the year ended 30 September 2019.

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against share capital.

Share-based compensation

The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each statement of financial position date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to equity.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The fair value of share-based payments recognised in the income statement is measured by use of the Black Scholes model, which takes into account conditions attached to the vesting and exercise of the equity instruments. The expected life used in the model is adjusted; based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The share price volatility percentage factor used in the calculation is based on management's best estimate of future share price behaviour and is selected based on past experience, future expectations and benchmarked against peer companies in the industry.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less subsequent accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to write off their cost over their estimated useful lives at the following annual rates:

Leasehold property	20%
Vehicles	25%
Fixtures, fittings & equipment	20% / 33%

Useful lives and depreciation methods are reviewed and adjusted if appropriate, at the end of each reporting period. During the year ended 30 September 2018 the depreciation rates used were reviewed and, based on this review, the estimated useful lives of motor vehicles and plant, machinery and equipment were extended to 4 years and 5 years respectively.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss in the period in which the asset is derecognised.

Intangibles

Purchased goodwill represents the excess of the cost of acquisition over the company's interest in the fair value of the identifiable assets and liabilities of a business acquired at the date of acquisition.

Purchased goodwill is recognized as an asset, reviewed for impairment at least annually and carried at cost less accumulated impairment losses. Any impairment is recognised immediately in profit or loss and is not subsequently reversed. Purchased goodwill is deemed to have an indefinite useful life due to the expectation of the acquired business to operate in perpetuity, so is not amortised.

Customer list represents the value placed on the retained customer list at the acquisition date. The value recognises that customers, although contracted to the company are not under an obligation to use the company services.

The customer list will be amortised over a period of 5 years. An impairment review will be conducted each year and will look at significant changes in the turnover received from major customers.

Employee benefit costs

The group operates a defined contribution pension scheme for eligible employees. Contributions payable are charged to the income statement in the period to which they relate.

Exceptional items

Exceptional items are material items of income or expenses which have arisen in the normal course of business but are not expected to re-occur on a regular basis.

Critical accounting judgments and key sources of estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions concerning the future that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods.

The resulting accounting estimates will, by definition, differ from the related actual results.

- **Estimated impairment of goodwill**
  The Directors have carried out a detailed impairment review in respect of goodwill. The Group assesses at each reporting date whether there is an indication that an asset maybe impaired, by considering the net present value of discounted cashflow forecasts which have been discounted at 15%. The cashflow projections are based on the assumption that the Group can realise projected sales.

- **Share based payments**
  The fair value of share based payments recognised in the income statement is measured by use of the Black Scholes model, which takes into account conditions attached to the vesting and exercise of the equity instruments. The expected life used in the model is adjusted; based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The share price volatility percentage factor used in the calculation is based on management's best estimate of future share price behaviour and is selected based on past experience, future expectations and benchmarked against peer companies in the industry.

- **Goodwill and Customer list valuation**
  Management originally estimated that the useful life of the fair value of the customer lists acquired on the acquisition to be 5 years. As part of the annual impairment review at 30 September 2018, based on the medium term trading outlook, the decision was taken to write down the purchased goodwill and acquired customer list to £174,000. As at 30 September 2019 a further review was undertaken and management judged that no additional impairment was required.

- **Bad debt provision**
  We perform ongoing credit evaluations of our customers and grant credit based on past payment history and industry conditions. Customer payments are closely monitored and a provision for doubtful debts is established based on management's assessment of the expected collectability of all accounts receivable.

3. Segmental Reporting

In the opinion of the Directors, the Group has one class of business, being that of specialist cleaning and decontamination services. Although the Group operates in only one geographic segment, which is the UK, it has also analysed the sources of its business into the segments of either public or private sector customers.

	2019			2018		
	Public sector £'000	**Private sector £'000**	**Total £'000**	**Public sector £'000**	**Private sector £'000**	**Total £'000**
Revenue	1,628	1,475	3,103	1,944	1,351	3,295
Cost of Sales	(1,237)	(981)	(2,218)	(1,535)	(1,067)	(2,602)
Gross Profit	391	494	885	409	284	693
Administrative Expenses	(472)	(596)	(1,068)	(1,560)	(1,084)	(2,644)
Operating Loss for the year	(81)	(102)	(183)	(1,151)	(800)	(1,951)
Total Assets	624	789	1,413	1,094	760	1,854
Total Liabilities	(236)	(299)	(535)	(468)	(325)	(793)

4. Employees and Directors

	2019 £'000	2018 £'000
Wages and salaries	1,932	1,659
Directors fees	-	31
Social security costs	174	166
Pension contributions	28	11
	2,134	1,867

The average monthly number of employees :

	No.	No.
Directors	3	3
Operators and administration staff	79	58
	82	61

Details of emoluments received by Directors of the Group for the year ended 30 September 2019 were as follows:

	Salaries £'000	Fees £'000	Car benefit £'000	2019 £'000	2018 £'000
G Leates	58	-	-	58	48
R Gilbert	22	-	-	22	-
M Joyce	17	-	-	17	-
L Innes	17	-	-	17	32
C Barnes	-	-	-	-	44
C Vermaak	-	-	-	-	40
S Woolley	-	-	-	-	10
Total	114	-	-	114	174

These amounts include the share based payments referred to in Note 2.

5. Administrative expenses

	2019 £'000	2018 £'000
Auditor remuneration		
– audit fees (Company £4,000; 2018 : £4,000)	25	25
– other services	3	8
Staff costs (note 4)	2,134	1,867
Less staff costs included in cost of sales	(1,623)	(1,224)
Recruitment	38	44
Legal and professional fees (incl AIM related costs)	155	99
Property costs	53	40
Travel expenses	42	7
Insurance	54	52
Advertising	61	12
Provision against bad debts and accrued income	(70)	279
Other expenses	180	169
Depreciation	52	124
Less depreciation included in cost of sales	(36)	(84)
Impairment charge	-	1,226

	1,068	2,644

The non-recurring exceptional costs of £5,000 (2018: £1,337,000) included in administrative expenses comprise the following:

	2019 £'000	2018 £'000
Recruitment fees & other employee related costs associated with the changes in the management of the business during the period under review	(61)	(155)
Legal fees relating to resolution of an historic debt	(10)	-
Impairment of purchased goodwill	-	(1,106)
Impairment of acquired customer list	-	(76)
Release of historic VAT provision	66	-
	(5)	(1,337)

6. Income Tax

	2019 £'000	2018 £'000
Current tax charge	-	-
Deferred tax credit	-	(21)
	-	(21)

Analysis of tax expense:

	2019 £'000	2018 £'000
Loss on ordinary activities before income tax	(183)	(1,951)
Loss on ordinary activities multiplied by the standard rate of corporation tax in UK of 19% (2018: 19%)	(35)	(371)
Effects of:		
Amortisation and depreciation not deductible for tax	10	32
Impairment charges	-	225
Increase in net losses carried forward	25	93
Corporation tax charge/(credit)	-	(21)

The Group has estimated excess management expenses carried forward of £1.3m (2018: £1.4m) and trading losses of £1m (2018: £0.7m) available to use against future profits. The tax losses have resulted in a deferred tax asset of approximately £0.4m (2018: £0.4m) which has not been recognised as it is uncertain whether future taxable profits will be sufficient to utilise the losses.

7. Loss per Share

Basic loss per share is calculated by dividing the earnings attributable shareholders by the weighted average number of ordinary shares outstanding during the year being 415,407,753 (2018: 415,407,753).

	Loss £'000	Weighted average Number of shares	Loss per share
Loss attributable to ordinary shareholders:			
Continuing operations	183	415,407,753	0.04p

Basic and diluted earnings per share are the same, since where a loss is incurred the effect of outstanding share options and warrants is considered anti-dilutive and is ignored for the purpose of the loss per share calculation. As at 30 September 2019 there were 19,939,537 (2018: 2,380,000) outstanding share warrants and 65,065,130 (2018: 2,754,077) options which are potentially dilutive.

8. Company's result for the period

The company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent company income statement account. The result for the parent company for the period was a profit of £74,000 (2018: loss of £2,811,000).

9. Intangible assets

Group	Purchased Goodwill £'000	Customer List Acquired £'000	Total £'000
Cost			
At 1 October 2018	1,280	220	1,500
Amortisation and impairment			
As at 1 October 2018	1,106	220	1,326
Amortisation charge for the year	-	-	-
Impairment charge for the year	-	-	-
As at 30 September 2019	1,106	220	1,326
Carrying amount			
As at 30 September 2019	174	-	174
As at 30 September 2018	174	-	174

The purchased goodwill relates to intangible assets that do not qualify for separate recognition on the acquisition of the REACT specialist cleaning services business, an unincorporated division of Autoclenz Limited.

The Group assesses at each reporting date whether there is an indication that an asset may be impaired, by considering the net present value of discounted cash flow forecasts. Purchased goodwill has been allocated for impairment testing purposes to the individual businesses acquired which are also the cash-generating units ("CGU") identified. The recoverable amount of a CGU is determined based on value in use calculations using cash flow projections based on financial budgets approved by the Directors. The projections are based on the assumption that the company can realise projected sales. A prudent approach has been applied with no residual value being factored into these calculations. If the projected sales do not materialise there is a risk that the total value of the intangible assets shown above would be impaired. A pre-tax discount rate of 15% per annum has

been applied to the cashflow projections, taking into consideration the expected rate of return and various risks relating to the CGU.

As a result of this annual review, it was decided that given the current trading performance of the business and the short/medium term outlook, there was no need to further impair the carrying value of the Purchased Goodwill.

The key assumptions used in the estimation of the revised value of Purchased Goodwill are set out below. The values assigned to the key assumptions represent management's assessment of future revenues and cash flows of the CGU. The most recent financial results and forecast approved by management for the next five years were used and a terminal growth rate thereafter. The projected results were discounted at a rate which is a prudent evaluation of the time value of money and the risks specific to the CGU.

Key assumptions used:

	%
Average revenue growth rate (of next five years)	10
Terminal value growth rate	0
Discount rate	15

10. Property, Plant and equipment

Group	**Leasehold property £'000**	**Vehicles £'000**	**Fixtures, fittings & equipment £'000**	**Total £'000**
Cost				
At 1 October 2018	21	225	84	330
Additions	-	-	25	25
Disposals	-	(44)	-	(44)
At 30 September 2019	21	181	109	311
Depreciation				
At 1 October 2018	4	159	51	214
Depreciation charge for the year	4	30	18	52
Disposals	-	(36)	-	(36)
At 30 September 2019	8	153	69	230
Net book value				
At 30 September 2019	13	28	40	81
At 30 September 2018	17	66	33	116

Company

	Leasehold property £'000	**Vehicles £'000**	**Fixtures, fittings & equipment £'000**	**Total £'000**
Cost				
At 1 October 2018	21	-	-	21
Additions	-	-	-	-
Disposals	-	-	-	-
At 30 September 2019	21	-	-	21
Depreciation				
At 1 October 2018	4	-	-	4

Depreciation charge for the year	4	-	-	4
Disposals	-	-	-	-
At 30 September 2019	8	-	-	8
Net book value				
At 30 September 2019	13	-	-	13
At 30 September 2018	17	-	-	17

11. Investment in subsidiary undertakings

Company

	£'000
Cost	
At 1 October 2018 and 30 September 2019	1,560
Impairment	
At 1 October 2018	1,386
Impairment charge for the year	-
At 30 September 2019	1,386
Carrying amount	
At 30 September 2019	174
At 30 September 2018	174

As at 30 September 2019, the company held the following subsidiaries:

Name of company	Principal activities	Country of incorporation and place of business	Proportion of equity interest of ordinary shares
REACT SC Holdings Limited	Holding company	United Kingdom	100%
REACT Specialist Cleaning Limited (held indirectly by REACT SC Holdings Limited)	Specialist cleaning & decontamination services	United Kingdom	100%
REACT Environmental Services Limited*	Dormant	United Kingdom	100%

*Audit exemption is taken for this company as it has been dormant since June 2018.

Both the subsidiary companies, REACT Occupational Hygiene Services Limited (ROHS) and REACT Environmental Services Limited (RES) have been dormant since June 2018 and as it was not anticipated that these companies would trade again, ROHS was struck off the register at Companies House on 3 September 2019 and an application to strike off RES is in progress.

12. Trade and other receivables

Current	Note	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Trade receivables		696	1,329	-	-
Provision for impairment	**13**	(83)	(339)	-	-
Net trade receivables		613	990	-	-
Amounts owed by Group undertakings		-	-	1,242	1,238
Provision against amounts owed by Group undertakings		-	-	(1,226)	(1,219)
Prepayments and accrued income		105	151	22	23
		718	1,141	38	42

Trade receivables are amounts due from customers for services performed in the ordinary course of business. The Group's impairment and other accounting policies for trade and other receivables are outlined in note 2.

13. Provision for impairment of receivables

A provision is established for irrecoverable amounts where there is an indication that amounts due under the original payment terms will not be collected.

Provision for impairment of receivables Relating to debt over 3 months past due	Group 2019 £'000	Group 2018 £'000
Opening provision	339	40
Impairments in the year	64	299
Amounts released in the year	(189)	-
Amounts utilised in the year	(131)	-
Closing provision	83	339

There are no receivables in the Company, as all are held by the trading subsidiary, RSC.

As at 30 September 2019, excluding balances provided for by the impairment provision, £157,000 (2018: £153,000) of trade receivables were past their due settlement date but not impaired. The ageing analysis of these trade receivables is as follows:

	2019 £'000	2018 £'000
Up to 3 months past due	119	153
3 to 6 months past due	37	-
Over 6 months past due	1	-
	157	153

Trade receivables that are neither past due nor impaired are considered to be fully recoverable.

14. Cash and cash equivalents

Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000

Cash and bank balances	440	423	256	248

15. Called Up Share Capital

	2019 £'000	2018 £'000
Issued share capital comprises:		
415,407,753 (2018 : 415,407,753) Ordinary shares of 0.25p each	1,039	1,039

16. Trade and other payables

Current:

	Group 2019 £'000	Group 2018 £'000	Company 2019 £'000	Company 2018 £'000
Trade payables	232	221	39	43
Accrued expenses	128	288	-	7
Social security and other taxes	175	284	(2)	61
	535	793	37	111

17. Deferred Tax

Deferred tax is provided, using the liability method, on temporary differences at the statement of financial position date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 19%, the movement on the deferred tax liability is as shown below:

Group	2019 £'000	2018 £'000
At 1 October 2018	-	21
Income credit	-	(21)
At 30 September 2019	-	-

Deferred tax assets have not been recognised in respect of all tax losses and other temporary differences giving rise to deferred tax assets as the Directors believe it is uncertain that these assets will be recovered.

18. Related Party Disclosures

Group and company

During the year ended 30 September 2019, there were no related party transactions. In the prior year the Group was charged £30,900 by Secure and Profitable Growth Limited for consultancy services provided by C Barnes. There were no amounts outstanding in respect of any these services at 30 September 2019.

19. Ultimate Controlling Party

No one shareholder has control of the company.

20. Warrants

The warrants held by G M Leates were surrendered on 17 May 2019.

On 17 May 2019 the company issued warrants to Wydelta Limited, a consulting and advisory firm led by Mark Braund, an operational strategic adviser to the Company, to subscribe for 19,939,537 new ordinary shares in the company exercisable at a price of 0.30p per 0.25p ordinary share, exercisable after 24 months. The warrants have a 5 year exercise period ending on 17 May 2024.

No warrants were exercised in the current or prior year.

Movements in the number of share warrants outstanding and their related weighted average exercise prices are as follows:

	Number of warrants		Average exercise price	
	2019	2018	2019	2018
	No.	No.	£	£
Outstanding at the beginning of the period	2,380,000	2,380,000	0.0168	0.0168
Granted during the year	19,939,537	-	0.0030	-
Lapsed during the year	(2,380,000)	-	(0.0168)	-
Outstanding at the end of the period	19,939,537	2,380,000	0.0030	0.0168

The fair value of the share warrants issued on 17 May 2019 with an exercise price of 0.30p is £5,834 and was derived using the Black Scholes model. The following assumptions were used in the calculations:

Share price at grant date	0.30p
Risk-free rate	0.58%
Volatility	25%
Expected life	5 years

Expected volatility is based on a conservative estimate for the company. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

£389 (2018: £Nil) has been recognised during the period for the share based payments over the vesting period.

21. Share options

The company had introduced a share option programme to grant share options as an incentive for employees. Each share option converts into one ordinary share of the company on exercise. No amounts are paid or payable by the recipient on receipt of the option and the company has no legal obligation to repurchase or settle the options in cash. The options carry neither rights to dividends nor voting rights prior to the date on which the options are exercised. Options may be exercised at any time from the date of vesting to the date of expiry.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	Number of options		Average exercise price	
	2019	2018	2019	2018
	No.	No.	£	£
Outstanding at the beginning of the period	2,754,077	16,524,464	0.0168	0.0168
Granted during the year	62,311,053	-	0.0030	-
Lapsed during the year	-	(13,770,387)	-	(0.0168)

Outstanding at the end of the period	65,065,130	2,754,077	0.0036	0.0168

The Options shall vest and become capable of exercise in specified quantities if the mid-market price (as derived from the AIM Appendix of the Daily Official List and as certified in writing by the Company's stockbrokers) equals or exceeds a series of defined Share Hurdle Prices between £0.004 and £0.0280 for 5 consecutive business days at any time or times during the vesting period. £1,215 (2018: £Nil) has been recognised during the period for the share based payments over the vesting period.

22. Financial risk management, objectives and policies

The Group's financial instruments comprise cash balances and receivables and payables that arise directly from its operations. The main risks the Group faces are liquidity risk, capital risk and foreign currency risk.

The board regularly reviews and agrees policies for managing each of these risks. The Group's policies for managing these risks are summarised below and have been applied throughout the period. The numerical disclosures exclude short-term debtors and their carrying amount is considered to be a reasonable approximation of their fair value.

Interest risk

The Group is not exposed to significant interest rate risk as it has no interest bearing liabilities at the period end.

Credit risk

The Group is exposed to credit risk as services are invoiced on completion. This risk is mitigated as most large customers have been customers for several years and have exemplary credit ratings. The board also ensure robust procedures are in place to ensure all services are invoiced promptly and all payments received in a timely manner.

As at the year end, 27% of debtors included in trade receivables are past their due dates. Included in trade receivables are provisions of £83,000.

Liquidity risk

Liquidity risk is the risk that Group will encounter difficulty in meeting the obligations associated with financial liabilities.

The responsibility for liquidity risks management rest with the Board of Directors, which has established appropriate liquidity risk management framework for the management of the Group's short term and long-term funding risks management requirements.

During the period under review, the Group has not utilised any borrowing facilities. The Group manages liquidity risks by maintaining adequate reserves and reserve borrowing facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Capital risk

The Group's objectives when managing capital are to safeguard the ability to continue as a going concern in order to provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

23. Lease commitments

At 30 September 2019 the Company had outstanding commitments for future minimum lease payments under a non-cancellable operating lease for its office premises, which fall due as follows:

	2019 £'000	2018 £'000

Within one year	19	19
Within to two to five years	38	57
At 30 September 2019	57	76