INTERIM REPORT 2019

EXPERTISE AND INNOVATION IN FINANCIAL SERVICES

LumX Group Limited

Investment research
and
asset management

Contents

INTERIM REPORT JUNE 2019

LumX Group Limited[1] is an investment specialist focused on providing leading investment and risk management solutions.

Business Highlights

- LumRisk, the Group's Fintech and Regtech subsidiary, now has connectivity in place with 14 of the leading investment banks that account for the near totality of the bank-sourced alternative risk premia industry
- LumRisk revenues for H1 2019 grow 151% compared to same periosd last year to reach USD 2.0 million
- Closure of the LumMap business line and decision by LumX Asset Management (U.K.) Limited to apply to the FCA to cancel its authorization.

Financial Highlights

- Gross revenues of USD 4.5 million, +16.1% over same period in prior year
- Reduction of operating expenses by 28.4% compared to the same period in the previous year
- Operting loss before amortization (EBITDA) of USD 1.6 million
- Net loss for the period of USD 3.9 million

[1] 'LumX' or 'the Company' and together with its subsidiaries, 'the Group'.

CHAIRMAN'S STATEMENT

Dear fellow shareholders,

The first half of 2019 was marked by very encouraging signs that our restructuring efforts are beginning to bring to light the underlying value of the LumX Group. Thanks to the combined effects of the continuing strong development of our LumRisk subsidiary and of our ongoing efforts to reduce our cost base, the net results for the first half of the year, while still negative, show a significant improvement. Group revenues have increased by 16.1% over the same period last year, and the revenue of our LumRisk fintech subsidiary has jumped by 151% compared to the first 6 months of the previous year.

Continued successes for LumRisk

LumRisk has now become the dominant independent player in risk aggregation, analysis and tailor-made reporting for the USD 1 trillion Alternative Risk Premia (ARP) industry. LumRisk has achieved extensive coverage of the ARP industry as LumRisk, thanks to its connectivity with, and transparency on the ARP products of the 14 leading investment banks that represent the near totality of the bank premium market. Clients served by LumRisk are located across the world, including North and South America, Europe and Asia. Using the LumRisk platform, investors can build diversified ARP portfolios from the ARP offerings of multiple bank providers, from among all the significant global players, and seamlessly view and analyze their risk exposures based on full transparency into the underlying holdings of all the ARP in their portfolio.

To achieve this, LumRisk has continued investing heavily in its IT infrastructure and processes, to ensure a high degree of speed, security and scalability. During the first half of 2019, LumRisk completed the migration of its infrastructure to the cloud, allowing flexible on-demand scalability of resources, as computational, storage and communications needs have grown, in line with its rapidly developing client base. In addition, cloud hosting has allowed LumRisk to further enhance its business continuity and disaster recovery processes through state-of-the-art multi-country data replication facilities. LumRisk investment also focuses on expanding the product's capabilities and continually improving the platform's interactive user experience. A number of key new features are currently in development and expected to be released during the first quarter of 2020.

LumRisk successfully completed an ISO 27001 certification of its IT security processes in May and has hired a leading specialized IT security firm to provide Managed Security Services to LumRisk, which include, among other services, 24/7 monitoring of our systems and networks, with immediate notification of, and assistance in resolving, security alerts.

LumRisk's staff has nearly doubled since the beginning of the year, with several additional key recruitments in process. LumRisk recently moved to other offices in the same building, which provide a more spacious working environment as well as room to accommodate our projected future growth.

Future LumRisk growth will come both from regular increases in the number of end users investing in ARP, as well as accelerating LumRisk penetration of the multi-asset market. Multi-asset clients are typically large institutional investors, such as pension funds or insurance companies, with diversified investment programs, spread across several entities or investment pools that may hold a broad range of instruments, from direct securities, derivatives, funds, ETFs, or tailored mandates, to less-liquid holdings such as real-estate and private equity. The LumRisk platform allows these clients to manage the consolidated risk profile of their programs and to fulfill complex regulatory risk reporting requirements, such as Solvency II and Basel III. The broad scope of LumRisk's capabilities will also allow it to continue developing tailored services for investors active in other areas of alternative investing, such as investment overlays and smart beta.

LumRisk has also recently entered into a partnership for the promotion of the LumRisk platform in the Asia-Pacific region with a focus on the Australian market. Given the partner's prominence, we believe this relationship has considerable potential. We are also currently exploring additional partnerships in different areas to bring LumRisk to a wider range of client types.

The successful direct financing round late last year has provided a LumRisk with a healthy financial base from which to pursue its ambitious goals. Thanks to the encouraging developments outlined above, LumRisk revenues are projected to continue growing over the second half of the year and thereafter.

LumMap

In part due to uncertainties linked to Brexit, several major fund launches being planned on the LumMap platform were interrupted or did not materialize. After careful consideration of the platform's realistic future prospects in the current environment, the decision was made to close the LumMap business line and LumX Asset Management (U.K.) Limited decided to apply to the FCA to cancel its authorization. Though we regret that LumMap was not able to fully develop its potential, this decision frees up resources for investment in other rapidly growing areas of the LumX Group.

Asset management business

As discussed in our year-end report, in the face of profound changes in the asset management industry over the past few years, we made the decision to refocus our asset management activities on direct discretionary multi-asset mandates. Our Swiss subsidiary, LumX Asset Management (Suisse) SA, therefore requested that it no longer be regulated as a manager of collective investment schemes by the Swiss regulator, FINMA. The FINMA's oversight of our Swiss entity formally ended on 2 July 2019. Our asset management business continues under the auspices of the Swiss Association of Asset Managers (SAAM), allowing it to continue managing unlimited assets in the form of direct mandates.

Over the first half of 2019, the Group's multi-asset business saw continued growth in its assets under management and in its revenues. We continue to anticipate its return to profitability by the end of 2019.

Group financials

The Group generated an operating loss before amortization (EBITDA) of USD 1.6 million through 30 June 2019, compared to a loss of USD 4.3 million over the same period in 2018, thanks to a very encouraging 16.1% increase in Group revenues over the period to USD 4.5 million, from USD 3.9 million in the first half of 2018. In particular, revenues generated from LumRisk grew by 151% to USD 2.0 million (H1 2018: USD 0.8 million), confirming that it is a major growth driver for the Group. Overall, management fee income for the period decreased to USD 2.3 million (H1 2018: USD 2.8 million). The cost reductions resulting from this decision will be fully effective during the second half of the year.

Operating costs over the first half of 2019 were USD 5.8 million, after inclusion of a USD 0.6 million credit related to staff curtailments, a decrease of 28.4% over the same period in 2018. At the same time, the application of IFRS 16 also had a positive impact on operating costs of approximatively USD 0.4 million, but this was offset by an increase in finance costs and amortization expenses of an equivalent amount.

General Meeting of the Shareholders

The AGM will take place before the end of 2019. The date will be communicated shortly.

Outlook

The ongoing successes of LumRisk confirm our very positive outlook for this business line. We confident in its considerable growth potential in both revenues and enterprise value. The LumRisk team has worked diligently to ensure that its IT infrastructure and processes meet the most demanding requirements of large international institutional investors, and our platform is fully configured to support the continued rapid growth we anticipate, while continuing to develop new and innovative analytical capabilities while continually improving the platform's interactive user experience.

In closing, I would like to reiterate my heartfelt thanks to all board members, to our staff and to all other stakeholders, who have steadfastly focused on executing our business plans. I am delighted that the fruits of their efforts are now beginning to show, and I know that I can count on their continued commitment as we move ahead with our plans.

Arpad Busson
Executive Chairman

UNAUDITED INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2019

	Note	Six months ended 30 June 2019 USD 000	Six months ended 30 June 2018 USD 000
Revenue	2	4,476	3,855
Referral fee expense	3	(279)	(67)
Net revenue		**4,197**	**3,788**
Operating costs from operations	5	(5,767)	(8,057)
Operating loss before depreciation, amortisation and impairment		**(1,570)**	**(4,269)**
Amortisation of intangible assets and depreciation of property, plant and equipment	5	(591)	(349)
Operating results after depreciation, amortisation and impairment		**(2,161)**	**(4,618)**
Finance income	7	5	170
Finance cost	8	(548)	(115)
Net loss on financial assets	9	13	(10)
Share of post-tax profits/(losses) of associates		(193)	(150)
Loss before taxation		**(2,884)**	**(4,723)**
Income tax credit/(charge)	10	(1,045)	181
Loss for the period		**(3,929)**	**(4,542)**
Attributable to:			
Equity holders of the parent company		(3,929)	(4,552)
Non-controlling interest		-	10
Loss for the period		**(3,929)**	**(4,542)**
Loss per share for the period			
Basic and diluted, for loss for the year attributable to ordinary equity holders of the parent company (in USD)		(0.04)	(0.04)

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2019

	Note	Six months ended 30 June 2019 USD 000	Six months ended 30 June 2018 USD 000
Loss for the period		**(3,929)**	**(4,542)**
Items that will not be subsequently reclassified to profit and loss			
Actuarial gains/(losses) on defined benefit pension plans (net of tax)		(729)	-
Items that may be subsequently reclassified to profit and loss			
Exchange differences arising on translation of foreign operations		(1)	161
Other comprehensive income for the period, net of taxation		**(730)**	**161**
Total comprehensive loss for the period, net of tax		**(4,659)**	**(4,381)**
Attributable to :			
Equity holders of the parent company		(4,659)	(4,391)
Non-controlling interest		-	10
		(4,659)	**(4,381)**

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	At 30 June 2019 USD 000	At 31 December 2018 (Restated) USD 000
Non-current assets			
Goodwill	12	21,135	21,135
Intangible assets	21	1,475	1,403
Financial investments	13	1,499	1,537
Investment in associates		2,028	2,306
Property, plant and equipment		240	234
Right-of-use assets	1	2,163	-
Other receivables	14	549	559
Deferred tax asset	22	929	1,771
		30,018	**28,945**
Current assets			
Trade debtors	14	1,670	1,641
Other receivables	14	1,068	747
Tax assets		3	3
Cash and cash equivalents		2,681	752
		5,422	**3,143**
Total assets		**35,440**	**32,088**
Share capital	18	10,624	10,624
Treasury shares		(7)	(7)
Other reserves		24,290	24,198
Retained earnings		(24,364)	(19,832)
Equity attributable to equity holders of the parent company		**10,543**	**14,983**
Non-controlling interest		-	-
Total equity		**10,543**	**14,983**
Non-current liabilities			
Accruals and other creditors	15	177	292
Long-term lease obligations	1	1,577	-
Retirement benefits liabilities		2,687	2,442
Convertible notes issued by a subsidiary	16	7,474	2,568
Convertible notes issued by the Holding	16	2,130	2,065
		14,045	**7,367**
Current liabilities			
Trade creditors	15	2,503	3,117
Deferred income	15	511	696
Short-term lease obligations	1	603	-
Other payables	15	3,561	3,280
Loans		1,513	547
Convertible loans issued by the Holding	16	2,146	2,080
Current tax liabilities	16	15	18
		10,852	**9,738**
Total liabilities		**24,897**	**17,105**
Total equity and liabilities		**35,440**	**32,088**

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS THE SIX MONTHS ENDED 30 JUNE 2019

	Note	Six months ended 30 June 2019 USD 000	Six months ended 30 June 2018 USD 000
Operating activities			
Loss before taxation		**(2,884)**	**(4,723)**
Adjustments for:			
Amortisation / impairment of intangible assets	21	269	287
Depreciation of property, plant and equipment		322	62
Share-based payments		93	225
Gain on curtailment		(744)	-
Decrease/(increase) in receivables		(341)	(394)
Increase/(decrease) in payables		(1,041)	(480)
Income taxes received/(paid) (net)		-	-
Finance income		(5)	(170)
Finance cost		548	115
Net loss on financial assets	9	(13)	10
Share of post-tax (profits)/losses of associates		193	150
Net cash outflow from operating activities		**(3,603)**	**(4,918)**
Investing activities			
Dividends received	7	-	170
Other finance income received	7	5	-
Proceeds from sale of investments		54	2,147
Purchase of intangible assets	21	(329)	(762)
Purchase of property, plant and equipment		(40)	-
Net cash from investing activities		**(310)**	**1,555**
Financing activities			
Interest paid	8	(134)	(9)
Repayment of loan to related parties		(43)	(422)
Leasing		(381)	-
Loan from related parties		1,411	949
Capital increase		-	799
Loan		5,000	2,096
Net cash from/(used) in financing activities		**5,853**	**3,413**
Net decrease in cash and cash equivalents in year		**1,940**	**50**
Opening cash and cash equivalents		752	963
Effect of foreign exchange rates		(11)	(80)
Closing cash and cash equivalents		**2,681**	**933**

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2019

	Share Capital	Treasury shares	Translation reserve	Share-based payment reserve (Note 18)	Pooling and other reserves	Total other reserves	Retained earnings	Attributable to equity holders of the parent company	Non-controlling interest	Total equity
	USD 000	USD 000	USD 000	USD 000	USD 000	USD 000	USD 000	USD 000	USD 000	USD 000
Balance at 1 January 2018	**10,259**	**(1,301)**	**(4,425)**	**55**	**27,685**	**23,313**	**(10,350)**	**21,921**	**(7)**	**21,914**
Impact of change in accounting principles	**-**	**-**	**-**	**-**	**-**	**-**	**(176)**	**(176)**	**-**	**(176)**
Balance at 1 January 2018	**10,259**	**(1,301)**	**(4,425)**	**55**	**27,685**	**23,313**	**(10,526)**	**21,745**	**(7)**	**21,738**
Loss for the period	-	-	-	-	-	-	(4,552)	(4,552)	10	(4,542)
Other comprehensive income	-	-	161	-	-	161	-	161	-	161
Total comprehensive income	-	-	161	-	-	161	(4,552)	(4,391)	10	(4,381)
Recognition of share-based payments	-	55	-	170	-	170	-	225	-	225
Capital increase	365	(38)	-	-	472	472	-	799	-	799
Convertible loans	-	-	-	-	66	66	-	66	-	66
Balance at 30 June 2018	**10,624**	**(1,284)**	**(4,264)**	**225**	**28,223**	**24,182**	**(15,078)**	**18,444**	**3**	**18,447**
Balance at 1 January 2019	**10,624**	**(7)**	**(4,238)**	**233**	**28,205**	**24,198**	**(19,650)**	**15,165**	**-**	**15,165**
Impact of change in accounting principles	-	-	-	-	-	-	126	126	-	126
correction 2018	-	-	-	-	-	-	(182)	(182)	-	(182)
Balance at 1 January 2019	**10,624**	**(7)**	**(4,238)**	**233**	**28,205**	**24,198**	**(19,706)**	**15,109**	**-**	**15,109**
Loss for the year	-	-	-	-	-	-	(3,929)	(3,929)	-	(3,929)
Other comprehensive income	-	-	(1)	-	-	(1)	(729)	(730)	-	(730)
Total comprehensive income	-	-	(1)	-	-	(1)	(4,658)	(4,659)	-	(4,659)
Recognition of share-based payments	-	-	-	93	-	93	-	93	-	93
Capital increase	-	-	-	-	-	-	-	-	-	-
Balance at 30 June 2019	**10,624**	**(7)**	**(4,239)**	**326**	**28,205**	**24,290**	**(24,364)**	**10,543**	**-**	**10,543**

Corporate information

LumX Group Limited ("LumX" or "the Company") is a company registered in Guernsey and was listed on the SIX Swiss Exchange ("SIX") on 6 November 2007. The Company was incorporated in Guernsey on 15 August 2007. The registered office of LumX is Martello Court, Admiral Park, St Peter Port, G1Y 3HB, Guernsey.

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2019 comprise LumX Group Limited and its subsidiaries (together referred to as "the Group"). The Group is the holding company of an investment specialist focused on bringing leading investment, risk management, and structuring solutions to a primarily institutional client base

These unaudited interim condensed consolidated financial statements were authorised for issue by the Board of Directors on 30 September 2019.

1. Accounting policies

a) Basis of preparation

The unaudited interim condensed consolidated financial statements for the six months ended 30 June 2019 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The unaudited interim condensed 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 as at 31 December 2018.

The unaudited interim condensed consolidated financial statements are presented in US Dollars, rounded to the nearest thousand, except otherwise indicated.

b) Changes in accounting policies

The Group has adopted IFRS 16 Leases retrospectively form January 1 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provision in IFRS 16. The reclassifications and adjustments arising form the new leasing rules are therefore recognised in the opening balance sheet on January 1 2019.

Upon adoption of IFRS 16, The Group recognised lease liabilities in relation to leases which had previously been classified as "operating lease" under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of January 1 2019. The weighted average incremental borrowing rate applied to the lease liabilities on January 1 2019 was 8%. The reconciliation of the lease liability at January 1, 2019 is as follow:

	Financial Lease USD 000
Operating lease commitments at December 31 2018	2,874
Discount using the Group incremental borrowing rate of 8%	(493)
Adjustment as a result of different treatment of extionsion and termination option	46
Total lease obligations at 1 January 2019	**2,427**
Of which are:	
Short-term lease obligations	489
Long-term leae obligations	1,938

The associated right-of-use were measured at an amount equal to the lease liabilities, adjusted for any prepaid or accrued lease payments relating to that lease recognized in the balance sheet at December 31, 2018. For leases subject to a sublease arrangement, no right-of-use asset was recognised and instead the amounts to be received were reflected in the balance sheet as financial assets at amortised costs. The recognized right-of-use assets relate to the following types of assets:

	30 June 2019 USD 000	1 January 2019 USD 000
Land and building	2,163	2,427

The change in accounting policy impacted the following item in the balance sheet on January 1 2019:

	1 January 2019 USD 000
Right-of-use assets	2,427
Financial assets at amortised costs - long term portion	101
Other non current assets	(55)
Financial assets at amortised costs - short term portion	53
Other current assets	(6)
Total assets	**2,520**
Reserve	126
Long term lease obligations	2,063
Other long term liabilities	(168)
Short term lease obligations	518
Other current liabilities	(19)
Total equity and liabilites	**2,520**

Operating lease costs, which were previously fully recognised as an operational expense, are now recorded as depreciation expense in the amount of KUSD 285 and interests expense of KUSD 91. In addition, the lease payments of KUSD 381 represent a reduction of the lease liability is recognized int the cash-flow statements as an outflow form financing activities, which was previously fully recognised as an outflow from operating activities.

c) Going Concern

The interim financial statements have been prepared on a going concern basis, which assumes that the Group will be able to realise its assets and discharge its liabilities in the normal course of business.

However, the Directors consider that there are still significant uncertainties related to events or conditions that may cast significant doubt on the Group's ability to continue as going concern. This ability of the Group to continue as going concern is subject to the realisation of the business plans and the capacity of the Group to generate new revenues in our offerings over the next twelve months and beyond in order to generate the cash flows required to meet the Group' obligations. If the Group should not meet its objectives, the going concern of the Group would depend upon continued support from the shareholders or the ability of the Group to find other sources of financing.

2. Revenue

	Six months ended 30 June 2019 USD 000	Six months ended 30 June 2018 USD 000
Management fees	2,328	2,856
Performance fees	23	49
LumRisk fees	2,013	801
Other fees	112	149
Total revenue	**4,476**	**3,855**

3. Referral fee expense

Referral fee expenses comprise third party commissions for client introductions and on-going client service.

	Six months ended 30 June 2019 USD 000	Six months ended 30 June 2018 USD 000
Referral fees on Management fees	40	67
Referral fees on LumRisk fees	239	-
Total referral fee expense	**279**	**67**

4. Segmental analysis of results

Although gross revenue is reviewed in detail by revenue source, internal financial reporting and performance monitoring and measurement is not further segregated below this revenue level for use in the business. The chief operating decision maker, which is considered to be the Executive Management Committee, reviews the results, costs, assets and liabilities on a Group basis. Accordingly, all significant decisions are based upon the analysis of the Group as one segment. Therefore the Directors have concluded that there is one operating segment within the meaning of IFRS 8 Segment Reporting and the financial results of this segment are equivalent to the results of the Group as a whole.

5. Operating costs

	Note	Six months ended 30 June 2019 USD 000	Six months ended 30 June 2018 USD 000
Personnel expenses	6	3,655	5,250
Rent and related expenses		16	671
Professional expenses		588	938
It and Data expenses		878	672
Marketing and representation services		246	287
Foreign exchange loss (gain)		113	96
Other expenses		271	143
Operating Costs before depreciation, amortisation and impairment		**5,767**	**8,057**
Amortisation of intangible assets and depreciation of property, plant and equipment		591	349
Operating Costs after depreciation, amortisation and impairment		**6,358**	**8,406**

The net pension incudes a credit of USD 0.7 million related to curtailments in accordance with IAS 19.

6. Personnel expenses

The aggregate remuneration of employees (including executive directors) was:

	Note	Six months ended 30 June 2019 USD 000	Six months ended 30 June 2018 USD 000
Wages and salaries		3,636	4,259
Social security expenses (including defined contribution pension expenses)		271	318
Net pension (credit)/cost		(564)	214
Share-based payments	19	93	225
Sundry personnel expenses		219	234
Total personnel expenses		**3,655**	**5,250**

7. Finance income

	Six months ended 30 June 2019 USD 000	Six months ended 30 June 2018 USD 000
Dividends received	-	170
Other finance income	5	-
Total finance income	**5**	**170**

8. Finance cost

	Six months ended 30 June 2019 USD 000	Six months ended 30 June 2018 USD 000
Interest payable on loans (including loans from related parties)	548	115
Total finance cost	**548**	**115**

Inculded in Interst payable is an amount of USD 0.2 million related to convertible notes issued by our LumRisk subsidiary.

9. Net gain/(loss) on financial assets

The net gain/(loss) on financial assets designated at fair value through profit or loss is analysed as follows:

	Six months ended 30 June 2019 USD 000	Six months ended 30 June 2018 USD 000
Other investments	13	(10)
Total net gain on financial assets	**13**	**(10)**

10. Income tax credit/(charges)

	Six months ended 30 June 2019 USD 000	Six months ended 30 June 2018 USD 000
Current tax – current year	(2)	(1)
Current tax – prior year	-	(13)
Current tax	**(2)**	**(14)**
Deferred tax – current year	(1,043)	195
Deferred tax	**(1,043)**	**195**
Total	**(1,045)**	**181**
Effective Group tax rate	**26.6%**	**(4.0%)**

Deferred tax expense of USD 0.9 million relates to the decison to discontinue the LumMap business line and LumX Asset Management (U.K.) Limited's decision to apply to the FCA to cancel its authorization.

11. Loss per share

Basic loss per share is calculated by dividing net loss for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted loss per share is calculated by dividing the net loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

Loss and loss per share

	Six months ended 30 June 2019 USD 000	Six months ended 30 June 2018 USD 000
Net loss attributable to ordinary equity holders of the parent for basic and diluted loss per share (in USD 000)	(3,929)	(4,552)
Basic and diluted loss per share (in USD)	(0.04)	(0.04)

Shares

	Six months ended 30 June 2019 USD 000	Six months ended 30 June 2018 USD 000
Weighted average number of ordinary shares (excluding treasury shares) for basic loss / share	108,893	107,284
Adjustments for dilutive potential ordinary shares	-	-
Weighted average number of ordinary shares (excluding treasury shares) for diluted loss per share	108,893	107,284

Potential ordinary shares are treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations. The expected effects for the six months ending 30 June 2019 and 30 June 2018 of the Group's potential ordinary shares would be anti-dilutive and therefore have been excluded from the calculation above.

12. Goodwill

At 30 June 2019, the Management reviewed and re-assessed the goodwill balance of USD 21.1 million in relation with the EIM acquisition to identify indicators of impairment. The key parameters retained in the last impairment test as at 31 December 2018 have been reviewed and no indicators of impairment have been identified.

13. Financial investments

Financial investments consist principally of investments in strategic partners, and includes investments in funds under liquidation and all are recorded at fair value through profit or loss.

	Level 3 USD 000	Total USD 000
Non-Current		
At 1 January 2018	2,014	2,014
Disposals	(254)	(254)
Revaluation to fair value	(218)	(218)
Translation differences	(5)	-
At 31 December 2018	**1,537**	**1,537**
Disposals	(54)	(54)
Revaluation to fair value	13	13
Translation differences	3	3
At 30 June 2019	**1,499**	**1,499**

14. Trade debtors and other receivables

	Note	30 June 2019 USD 000	31 December 2018 USD 000
Current receivable			
Trade debtors		1,670	1,641
Total trade debtors		**1,670**	**1,641**
Amount due from related parties		58	77
Other debtors		395	375
Leasing		71	-
Prepayments and accrued income		544	295
Total other receivables		**1,068**	**747**
Non-current receivables			
Other receivables		499	559
Leasing		50	-
Total other receivables		**549**	**559**
Total trade debtors and other receivables		**3,287**	**2,947**

15. Trade creditors and other payables

	Note	30 June 2019 USD 000	31 December 2018 USD 000
Current liabilities			
Trade creditors		**2,503**	**3,117**
Deferred income		**511**	**696**
Amount due to related parties		33	116
Other tax and social security		267	595
Financial derivatives		541	127
Provision		-	136
Other creditors		1,144	1,209
Accruals		1,576	1,097
Total other payables		**3,561**	**3,280**
Non-current liabilities			
Other creditors		170	286
Accruals		7	6
Total non-current liabilities		**177**	**292**
Total trade creditors and other payables		**6,752**	**7,385**

16. Loans and convertible notes

	Note	30 June 2019			31 December 2018		
		Current Liabilities	Non-Current Liabilities	Total	Current Liabilities	Non-Current Liabilities	Total
Convertible loans		2,146	2,130	**4,276**	2,080	2,065	**4,145**
From related party		2,146	2,130	**4,276**	2,080	2,065	**4,145**
Convertible notes issued by subsidiaries		-	7,474	**7,474**	-	2,568	**2,568**
To related party		-	2,581	**2,581**	-	2,568	**2,568**
To third party		-	4,893	**4,893**	-	-	**-**
Loans		1,513	-	**1,513**	547	-	**547**
From related party		1,513	-	**1,513**	547	-	**547**
From third party		-	-	**-**	-	-	**-**

17. Contingent assets, liabilities and capital commitments

The Group had no contingent assets, contingent liabilities or capital commitments at either of the reporting dates, other than those described below:

Taxation

The Group has legal entities and operating presence in different jurisdictions, each of which has different tax regimes. As the Group evolves, it is exposed to contingent liabilities relating to various different taxes. It is possible that the tax authorities in any jurisdiction may make assessments contrary to the tax positions taken by the Group. Agreement with the tax authorities in such a situation would then be subject to negotiation based on the facts, circumstances and applicable tax law, as a result of which the Group may agree to renounce some contingent tax assets and /or to pay additional taxes.

The possible assessments of the various tax authorities are largely uncertain and it is not possible to quantify the likely outcome of any subsequent negotiations or the timing of any related settlements.

Contingent liabilities at 30 June 2019 which are considered possible, but not probable, of crystallisation are not quantifiable.

Proceeding

In July 2016, a conciliation was requested by a former advisory client ("the plaintiff") of Gottex Fund Management Sàrl ("the Company") in connection with losses that the client had incurred in 2008 on its portfolio. The losses were generated by the collapse of funds involved in a fraud known as the "Petters Fraud".

The parties met in January 2017 but were not able to agree on a settlement, as the Company denied any faults. On 13 February 2017, the plaintiff filed a claim for compensation for the financial losses incurred with the "Chambre Patrimoniale du Canton de Vaud". On 30 June 2017, the Company filed a response with the "Chambre Patrimoniale du Canton de Vaud" rejecting all allegations from the plaintiff. Since then, we have provided the Court additional responses to the allegations made by the plaintiff, and the first hearing occured on January 19, 2019. Until now no preliminary judgement has been pronounced by the Court.

At this stage, a contingent liability is considered as possible, but not probable. A quantification is not possible at this stage.

18. Capital and reserves

At 30 June 2019, the company has 108,933,590 shares with a nominal value of CHF 0.10 fully paid. On 2 July 2019, 893,750 new shares were issued from the condotional capital to employees in relation with the vesting of shares alloted under our incentive plan.

19. Share-based payments

	Six months ended 30 June 2019 USD 000	Six months ended 30 June 2018 USD 000
Share-based payment reserve in equity		
At 1 January	**233**	**55**
Recognised in the income statement – share-based payments	93	225
Reclassification/utilisation during the year	-	(55)
At 30 June	**326**	**225**

20. Related party transactions

The analysis of the related party balances is shown below.

	At 30 June 2019	At 31 December 2018
Current assets		
Related party debtors	58	77
Total Assets	**58**	**77**
Current liabilities		
Convertible loans due to a related parties r	(2,146)	(2,080)
Loans due to a related partyr	(1,513)	(547)
Other related party creditors	(33)	(116)
Total Liabilities	**(3,692)**	**(2,743)**
Non Current liabilities		
Convertible notes issued by a subsidiary due to shareholders	(2,581)	(2,568)
Convertible notes (China Silver Asset Management Ltd)	(2,130)	(2,065)
Total Non Current Liabilities	**(4,711)**	(3,115)
Total Liabilities	**(8,403)**	**(5,858)**
Total net related party balances	**(8,345)**	**(5,781)**

21. Intangible assets

	Software internally generated	Software	Investment management contracts	Total
Cost				
At 1 January 2018	557	6,486	6,148	13,191
Additions	1'087	139	-	1,226
Translation differences	(13)	(10)	-	(23)
At 31 December 2018	**1,631**	**6,615**	**6,148**	**14,394**
Accumulated amortisation				
At 1 January 2018	(39)	(6,454)	(5,985)	(12,478)
Amortisation charge	(252)	(103)	(163)	(518)
Translation differences	2	3	-	5
At 31 December 2018	**(289)**	**(6,554)**	**(6,148)**	**(12,991)**
Net book value at 31 December 2018	**1,342**	**61**	**-**	**1,403**
Cost				
At 1 January 2019	1,631	6,615	6,148	14,394
Additions	268	61	-	329
Translation differences	19	12	-	31
At 30 June 2019	**1,918**	**6,688**	**6,148**	**14,754**
Accumulated amortisation				
At 1 January 2019	(289)	(6,554)	(6,148)	(12,991)
Amortisation charge	(214)	(55)	-	(269)
Translation differences	(7)	(12)	-	(19)
At 30 June 2019	**(510)**	**(6,621)**	**(6,148)**	**(13,279)**
Net book value at 30 June 2019	**1,408**	**67**	**-**	**1,475**

Since 2016, the Group has capitalised internally generated intangible assets in connection with LumRisk for a total of USD 1.9 million as at 30 June 2019.

22. Deferred tax assets/(liabilities)

The following are the components of the deferred tax assets and liabilities recognised by the Group and movements thereon during the current and prior reporting period.

	Deferred tax asset – Losses USD 000	Deferred tax asset - Accelerated depreciation USD 000	Deferred tax asset- Retirement benefit Liability USD 000	Total Deferred Tax Asset USD 000	Deferred Tax Liability – Intangible Asset USD 000	Net deferred tax balance USD 000
At 1 January 2018	1,638	6	603	**2,247**	(398)	**1,849**
(Debited)/credited to income	(248)	(6)	17	**(237)**	439	**202**
Debited to other comprehensive income	-	-	(218)	**(218)**	-	**(218)**
Translation	(57)	-	(5)	**(62)**	-	**(62)**
At 31 December 2018	**1,333**	**-**	**397**	**1,730**	**41**	**1,771**
Offset	41	-	**-**	**41**	(41)	**-**
At 31 December 2018	**1,374**	**-**	**397**	**1,771**	**-**	**1,771**
At 1 January 2019	1,333	-	397	**1,730**	41	**1,771**
(Debited)/credited to income	(894)	-	(149)	**(1,043)**	-	**(1,043)**
Debited to other comprehensive income	-	-	196	**196**	-	**196**
Translation	-	-	5	**5**	-	**5**
At 30 June 2019	**439**	**-**	**449**	**888**	**41**	**929**
Offset	-	-	-	**-**	-	**-**
At 30 June 2019	**439**	**-**	**449**	**888**	**41**	**929**

23. Correction of error in accounting for the year 2018

In August 2019, the Company discovered that the Members Remuneration related to the management of its real asset fund for an amount of USD 182,230 was recorded in 2019 whereas it was related to the 2018 remuneration. As a consequence, the operating expenses have been under estimated by USD 182,330 for the year 2018.

The error has been corrected by restating each of the affected financial statement line item for the prior period as follows:

Balance Sheet (extract)	31 December 2018	Correction	31 December 2018 (restated)
Current liabilities			
Other liabilities (other creditors)	5,725	182	5,907
Retained earnings	(19,650)	(182)	(19,832)
Net equity	**15,165**	**(182)**	**14,983**

Consolidated income statement for the period (extract) - All in USD '000	2018	Correction	2018 (restated)
Operating expenses from operations	16,056	182	16,238
Operating results before depreciation, amortisation and impairment	(7,962)	(182)	(8,144)
Operating results after depreciation, amortisation and impairment	(8,584)	(182)	(8,766)
Loss before taxation	(8,840)	(182)	(9,022)
Loss for the year	**(8,652)**	**(182)**	**(8,834)**
Loss attributable to			
Equity holders of the parent company	**(8,662)**	**(182)**	**(8,844)**

Statement of comprehensive income (extract) - all in USD '000	2018	Correction	2018 (restated)
Loss for the year	(8,652)	(182)	(8,834)
Total comprehensive loss for the year, net of tax	(7,661)	(182)	(7,843)
Loss attributable to			
Equity holders of the parent company	**(7,671)**	**(182)**	**(7,853)**

24. Subsequent Event

On 27 September 2019, the decision was taken to discontinue our LumMap business line. This led to a decision by LumX Asset Management (U.K.) Limited to apply to the FCA to cancel its authorization.

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