



2020 Cenkos Securities plc
Interim Report

About Cenkos

Cenkos Securities plc* is an independent, specialist institutional stockbroking company

We act as a nominated advisor, sponsor, broker and financial advisor to a range of companies and investment funds, at all stages of their growth and across all sectors. We concentrate on companies that seek admission of their shares to trading on AIM or the Main Market of the London Stock Exchange ("LSE") and companies that are already quoted on those markets. We seek long-term relationships with our clients throughout the various stages of their development. Our ethos is to focus on understanding our clients' financing needs to deliver good outcomes for them.

Cenkos' shares were admitted to trading on AIM in 2006. The Company is authorised and regulated by the Financial Conduct Authority ("FCA"), is a member of the LSE and has offices in London and Edinburgh.

* The "Company", "Cenkos" or the "Firm"

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Continuing Operations

Revenue

30 June 2020	30 June 2019
£12.9m	£10.6m

Underlying profit/(loss) *

30 June 2020	30 June 2019
£2.0m	£(0.1)m

Profit/(loss) before tax

30 June 2020	30 June 2019
£0.8m	£(0.2)m

Profit/(loss) after tax

30 June 2020	30 June 2019
£0.6m	£(0.2)m

Cash

30 June 2020	30 June 2019
£22.4m	£14.7m

Net Assets

30 June 2020	30 June 2019
£24.6m	£26.0m

Basic earnings per share

30 June 2020	30 June 2019
1.1p	(0.6)p

Interim dividend per share

30 June 2020	30 June 2019
1.0p	2.0p

* Underlying profit is profit before restructuring costs and charges related to the Cenkos Short-Term Incentive Plan and tax. A reconciliation between Underlying profit before tax and Profit before tax is shown in the table on page 2.

Chief Executive Officer's statement

The clear outcome of the 2019 general election made for an encouraging start to 2020 with an increase in asset values and the level of corporate activity. Since then the Coronavirus ("COVID-19") and the resulting lock down have had an unprecedented impact on economies around the world. Our ongoing priority is the health and well-being of our staff and I am grateful for the efforts of our IT team, who ensured an immediate and seamless switch to remote working and our HR and Facilities team for their work to make our office COVID-secure, ready for our return. Swift action and our flexible operating model meant we have been fully operational throughout this time and therefore able to focus on our clients' needs and assist them through this period. Indeed, the second quarter of 2020 saw a further increase in corporate activity, such that secondary funds raised on AIM were more than double that raised in the first quarter.

Performance

Consequently, I am pleased to report that H1 2020 revenue increased by 21% to £12.9 million (H1 2019: £10.6 million) and underlying profit was £2.0 million (H1 2019: Loss £0.1 million).

A summary of H1 2020 performance compared to H1 2019 is set out in the table below:

	Six months ended 30 June 2020	Six months ended 30 June 2019	% change
Revenue streams	£ 000's	£ 000's	
Corporate finance	9,216	6,245	48%
Nomad, broking and research	3,244	3,459	-6%
Execution - net trading gains	445	921	-52%
Revenue	12,905	10,625	21%
Staff costs	(7,392)	(6,368)	16%
Administrative expenses before restructuring costs and STIP	(3,539)	(4,336)	-18%
Underlying profit/(loss)	1,974	(79)	n/a
Restructuring costs and STIP	(1,158)	(172)	574%
Operating profit/(loss)	816	(251)	n/a
Investment income - interest income	23	65	-65%
Finance costs	(86)	(10)	763%
Profit/(loss) before tax	753	(196)	n/a
Tax	(163)	(5)	3160%
Profit/(loss) after tax	590	(201)	n/a

Corporate finance

Corporate finance fees increased by 48% to £9.2 million (H1 2019: £6.2 million). The level of corporate activity during this period has partly been due to companies raising funds to shore up their balance sheets to help them through the COVID-related economic downturn. However, Cenkos' strategic focus on Growth Companies has seen our clients overwhelmingly raise funds for acquisitions and expansion to take advantage of new opportunities. Consequently, in raising funds for our clients, the average discount over H1 2020, between the placing price achieved by Cenkos and the clients' share price the previous day was 5.4%.

During H1 2020 we assisted our clients in raising £340 million (H1 2019: £343 million) of equity finance from 11 (H1 2019: 11) transactions. This included the largest IPO on AIM completed so far this year, one of only three completed in H1 2020.

Nomad, broking and research

Nomad, broking and research fees decreased by 6% to £3.2 million (H1 2019: £3.5 million) due to the net fall in the number of our clients from 100 at 31 December 2019 to 97 at 30 June 2020. Of the 11 clients no longer represented by Cenkos, 5 either delisted or were subject to a takeover. 8 new clients joined Cenkos in 2020 and we have so far completed transactions for 4 of them.

Execution

Net trading gains decreased by 52% to £0.4 million (H1 2019: £0.9 million). The Coronavirus and impact of the measures to contain it, led to a sizeable fall in markets worldwide. The FTSE AIM all share index declined by nearly 40% from 975.18 on 20 February 2020 to 589.90 by 19 March 2020 (Source: Google). Since then there has been a significant recovery in asset prices with the index climbing back to 883.75 by 30 June 2020. Despite the market conditions and the capital limits we apply to our trading books, we have traded profitably over the period, while making markets in 185 stocks and maintaining a top 3 market share in 80% of our client stocks.

Administrative expenses

Administrative expenses – staff costs

Staff costs increased by 16% to £7.4 million (H1 2019: £6.4 million) primarily due to an increase in the variable remuneration accrued in line with the increase in net revenue. This was partially offset by a reduction in salary costs resulting from the restructuring and reduction in staff numbers (see below).

Administrative expenses – other

Other administrative expenses decreased by 18% to £3.5 million (H1 2019: £4.3 million) due mainly to a fall in transaction costs and professional fees.

Administrative expenses – restructuring costs and Short-Term Incentive Plan ('STIP')

The restructuring programme started in 2019 was completed in H1 2020, resulting in a further reduction in staff numbers to a total headcount of 89 at 30 June 2020, from 95 at 31 December 2019. This restructuring has led to a charge in H1 2020 income statement of £0.7 million (H1 2019: £0.2 million) but an ongoing annualised saving in base staff costs of £0.8m. The measures we have taken to shape the business for the future meant Cenkos did not need to cut salaries, furlough staff or utilise any government allowances beyond the automatic deferral of one quarters payment of VAT, during the lockdown period.

The STIP was launched in April 2020 as a one-off plan to retain and incentivise key members of staff. The plan was funded using shares already held by the EBT, which will vest in equal tranches on the first and second anniversaries of its launch. The charge of £0.5 million (H1 2019: £nil) represents the portion of the fair value of the scheme allocated to this period.

Underlying profit before tax is disclosed before restructuring costs and costs associated with the STIP as the Directors' believe this provides a clearer view of the performance of the business.

Profit and earnings per share

Statutory profit before tax for the period was £0.8 million (H1 2019: loss £0.2 million). The tax charge for the period of £0.2 million equates to an effective tax rate of 22% (H1 2019: 3%). Profit after tax for the period was £0.6 million (H1 2019: Loss £0.2 million)

Basic earnings per share for the period was 1.1p (H1 2019: -0.6p)

Financial position

The statement of financial position discloses net assets of £24.6 million as at 30 June 2020 down from £26.0 million as at 30 June 2019, which largely reflects the cost of shares acquired by the EBT and dividends paid since then being partially offset by the H1 2020 profit generated.

The increase in Non-current assets relates to the recognition of a right-to-use asset on signing of new leases on our London offices during H2 2019. This has a corresponding impact on trade and other payables.

The reduction in net trading investments resulted mainly from the sale of shares received in lieu of fees ('SILOF').

The movements in trade and other receivables, trade and other payables and cash and cash equivalents relates to the sale of shares, the settlement of shares trades and profitable trading during the period.

	30 June 2020	30 June 2019	Change
	£ 000's	£ 000's	£ 000's
Net assets summary			
Non-current assets	5,171	1,539	3,632
FVOCI financial assets	-	534	(534)
Other current financial assets	4,163	10,168	(6,005)
Other current financial liabilities	(681)	(4,157)	3,476
Net trading investments	3,482	6,545	(3,063)
Trade and other receivables	11,737	28,591	(16,854)
Trade and other payables - current	(12,818)	(25,210)	12,392
Trade and other payables – non current	(5,337)	(171)	(5,116)
Cash and cash equivalents	22,352	14,660	7,692
	24,587	25,954	(1,368)

Capital and Liquidity

The Board continuously assesses the Company's cash and capital requirements with the intention of maintaining a strong balance sheet, including a significant surplus over and above its Pillar 1, Individual Capital Guidance ('ICG') and Combined Capital Buffer ('CCB') requirements and sufficient liquid resources to cover at least 12 months of fixed overheads.

At 30 June 2020, Cenkos had a capital resources surplus of £15.8 million (H1 2019: £15.9 million) above its Pillar 1 regulatory capital requirement.

The Board

There have been several changes to the Board in 2020. Following Jeff Hewitt's retirement from the Board and his role as acting Chairman and Non-Executive Director on 28 February 2020, Jeremy Miller assumed the role as the acting Non-Executive Chairman on an interim basis. I am pleased to report that following our announcement in February of Lisa Gordon's appointment, her application was approved by the FCA on 10 June 2020 and she was formerly appointed as Chairman of the Board on 26 June 2020. In addition, following our announcement in November 2019 that Julian Morse, the head of our Growth Companies team, would join the Board as an Executive Director, his application was approved by the FCA on 27 April 2020 and he was formerly appointed a Director on 13 May 2020.

Assessment of Coronavirus impact

Since the start of lockdown, Cenkos has been fully operational and able to focus on our clients' needs. Consequently, we have been working with them to assess the impact of COVID-19 on their businesses and where appropriate assist them with their funding strategies, whether this be to strengthen balance sheets, invest in growth opportunities and/or complete acquisitions.

Our offices are COVID-secure, and we began a phased return, in line with Government guidance, earlier this month. Many of the new ways of working adopted over this period; however, will be carried forward to maximise our future operational efficiency.

Outlook

Since the end of the period, we have completed several equity fundraisings for our clients. Although our current pipeline is encouraging and we continue to win new clients, we recognise that the prevalence of both the virus and measures taken to contain it, pose a continuing risk to the health of the economy and the financial markets. The restructuring programme started in 2019, has resulted in a significantly lower cost base going forward which, combined with the strength of Cenkos balance sheet and a rejuvenated strategic focus, means the Company is well placed to face the challenges ahead. The second half of the current financial year has begun with energy and purpose at Cenkos, despite the ongoing macro challenges presented by the ongoing coronavirus.

Dividend

The Board proposes an interim dividend of 1.0p per share. The dividend will be paid on 20 November 2020 to all shareholders on the register at 23 October 2020.

Since being admitted to AIM we have returned £114.6m of cash to shareholders, equivalent to 177.3p per share, before the payment of the proposed 2020 interim dividend of 1.0p per share.

Jim Durkin

Chief Executive Officer

1 October 2020

Financial Statements

Condensed income statement

For the six months ended 30 June 2020

	Notes	Unaudited Six months ended 30 June 2020 £ 000's	Unaudited Six months ended 30 June 2019 £ 000's	Audited Year ended 31 December 2019 £ 000's
Continuing operations				
Revenue	2	12,905	10,625	25,916
Administrative expenses		(12,089)	(10,876)	(25,801)
Operating profit/(loss)		816	(251)	115
Investment income - interest income		23	65	106
Finance costs		(86)	(10)	(76)
Profit/(loss) before tax from continuing operations		753	(196)	145
Tax	3	(163)	(5)	(101)
Profit/(loss) after tax		590	(201)	44
Attributable to:				
Equity holders of Cenkos Securities plc		590	(201)	44
Basic earnings per share	5	1.1p	(0.6)p	(0.2)p
Diluted earnings per share	5	n/a	n/a	n/a

Condensed statement of comprehensive income

For the six months ended 30 June 2020

	Unaudited Six months ended 30 June 2020 £ 000's	Unaudited Six months ended 30 June 2019 £ 000's	Audited Year ended 31 December 2019 £ 000's
Profit/(loss)	590	(201)	44
Amounts that will not be recycled to income statement in future periods			
Gain / (loss) on FVOCI financial asset	(36)	14	(46)
Tax on FVOCI financial asset	6	(3)	9
Other comprehensive gains / (losses)	(30)	11	(37)
Total comprehensive income/(expense)	560	(190)	7
Attributable to:			
Equity holders of Cenkos Securities plc	560	(190)	7

Condensed statement of financial position

As at 30 June 2020

	Notes	Unaudited 30 June 2020 £ 000's	Unaudited 30 June 2019 £ 000's	Audited 31 December 2019 £ 000's
Non-current assets				
Property, plant and equipment	6	434	441	517
Right-of-use assets	7	4,299	502	4,540
Intangible asset		50	83	67
Deferred tax asset	12	387	512	486
Investments in subsidiary undertakings		1	1	1
		5,171	1,539	5,611
Current assets				
Trade and other receivables	8	11,737	28,591	13,455
FVOCI financial assets		-	534	60
Other current financial assets	9	4,163	10,168	8,973
Cash and cash equivalents	10	22,352	14,660	18,333
		38,252	53,953	40,821
Total assets		43,423	55,492	46,432
Current liabilities				
Trade and other payables	11	(12,818)	(25,210)	(14,715)
Other current financial liabilities	9	(681)	(4,157)	(1,840)
		(13,499)	(29,367)	(16,555)
Net current assets		24,753	24,587	24,266
Non-current liabilities				
Trade and other payables	11	(5,337)	(171)	(5,219)
Total liabilities		(18,836)	(29,538)	(21,774)
Net assets		24,587	25,954	24,658
Equity				
Share capital	13	567	567	567
Share premium		3,331	3,331	3,331
Capital redemption reserve		195	195	195
Own shares	14	(5,579)	(5,004)	(5,436)
FVOCI reserve		(171)	(82)	(141)
Retained earnings		26,244	26,947	26,142
Total equity		24,587	25,954	24,658

Condensed cash flow statement

For the six months ended 30 June 2020

	Notes	Unaudited Six months ended 30 June 2020 £ 000's	Unaudited Six months ended 30 June 2019 £ 000's	Audited Year ended 31 December 2019 £ 000's
Profit/(loss)		590	(201)	44
Adjustments for:				
Net finance income		64	(55)	(30)
Tax expense		163	5	101
Depreciation of property, plant and equipment, ROU assets and intangible asset		348	498	899
Fair value adjustment to deferred consideration		-	-	40
Shares and options received in lieu of fees		(120)	(374)	(3,987)
Share-based payment expense		945	736	1,115
Operating cash flows before movements in working capital		1,990	609	(1,818)
Decrease in net trading investments and FVOCI financial assets		3,795	692	3,598
(Increase) / decrease in trade and other receivables		1,756	(9,925)	5,212
(Decrease) in trade and other payables		(2,596)	(7,783)	(17,861)
Net cash flow from operating activities before interest and tax paid		4,945	(16,407)	(10,869)
Tax paid		-	(200)	(351)
Net cash flow from operating activities		4,945	(16,607)	(11,220)
Investing activities				
Interest received		26	49	90
Purchase of property, plant and equipment	7	(7)	(7)	(197)
Acquisition of Nomad business		-	-	(140)
Net cash flow from investing activities		19	42	(247)
Financing activities				
Lease incentive received		500	-	500
Lease payments made		(22)	(357)	(613)
Dividends paid		(515)	(1,398)	(2,485)
Proceeds from sale of own shares to employees on dividend reinvestment		-	23	40
Acquisition of own shares		(908)	(678)	(1,277)
Net cash used in financing activities		(945)	(2,410)	(3,835)
Net increase / (decrease) in cash and cash equivalents		4,019	(18,975)	(15,302)
Cash and cash equivalents at beginning of period		18,333	33,635	33,635
Cash and cash equivalents at end of period	10	22,352	14,660	18,333

Condensed statement of changes in equity

For the six months ended 30 June 2020

	Equity attributable to equity holders						
	Share capital £ 000's	Share premium £ 000's	Capital redemption reserve £ 000's	Own shares £ 000's	FVOCI reserve £ 000's	Retained earnings £ 000's	Total £ 000's
Balance at 1 January 2019	567	3,331	195	(5,663)	(93)	29,254	27,591
Loss	-	-	-	-	-	(201)	(201)
Loss on FVOCI financial assets net of tax	-	-	-	-	-	-	-
Gain on derecognition of FVOCI financial asset net of tax	-	-	-	-	11	-	11
Total comprehensive income	-	-	-	-	11	(201)	(190)
Issue of shares to employees on dividend reinvestment	-	-	-	36	-	(13)	23
Transfer of shares from share plans to employees	-	-	-	1,301	-	(1,301)	-
Acquisition of own shares	-	-	-	(678)	-	-	(678)
Credit to equity for equity-settled share-based payments	-	-	-	-	-	606	606
Current tax on share-based payments	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	(1,398)	(1,398)
Balance at 30 June 2019	567	3,331	195	(5,004)	(82)	26,947	25,954
Profit	-	-	-	-	-	245	245
Loss on FVOCI financial assets net of tax	-	-	-	-	(37)	-	(37)
Gain on derecognition of FVOCI financial asset net of tax	-	-	-	-	(22)	11	(11)
Total comprehensive income	-	-	-	-	(59)	256	197
Issue of shares to employees on dividend reinvestment	-	-	-	29	-	(12)	17
Transfer of shares from share plans to employees	-	-	-	138	-	(138)	-
Acquisition of own shares	-	-	-	(599)	-	-	(599)
Credit to equity for equity-settled share-based payments	-	-	-	-	-	169	169
Current tax on share-based payments	-	-	-	-	-	7	7
Dividends paid	-	-	-	-	-	(1,087)	(1,087)
Balance at 31 December 2019	567	3,331	195	(5,436)	(141)	26,142	24,658

	Equity attributable to equity holders						
	Share capital £ 000's	Share premium £ 000's	Capital redemption reserve £ 000's	Own shares £ 000's	FVOCI reserve £ 000's	Retained earnings £ 000's	Total £ 000's
Balance at 1 January 2020	567	3,331	195	(5,436)	(141)	26,142	24,658
Profit	-	-	-	-	-	590	590
Loss on FVOCI financial assets net of tax	-	-	-	-	(30)	-	(30)
Total comprehensive income	-	-	-	-	(30)	590	560
Transfer of shares from share plans to employees	-	-	-	765	-	(765)	-
Acquisition of own shares	-	-	-	(908)	-	-	(908)
Credit to equity for equity-settled share-based payments	-	-	-	-	-	792	792
Dividends paid	-	-	-	-	-	(515)	(515)
Balance at 30 June 2020	567	3,331	195	(5,579)	(171)	26,244	24,587

Notes to the financial statements

1. Accounting policies

General information

The interim condensed financial statements of Cenkos Securities plc (the “Company” or “Cenkos”) for the six months ended 30 June 2020 are unaudited and were approved by the Board of Directors for issue on 1 October 2020.

The Company is incorporated in England under the Companies Act 2006 (company registration No. 05210733) and its shares are publicly traded. The Company’s principal activity is as an institutional stockbroker to UK small and mid- cap companies and investment funds. These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The preparation of financial statements in conformity with International Financial Reporting Standards (“IFRS”) as adopted by the European Union requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management’s best knowledge of the amount, event or actions, actual results ultimately may differ from those of estimates.

Critical accounting policies and key sources of estimation uncertainty

The judgements and assumptions that are considered to be the most important to the portrayal of the Company’s financial condition are those relating to equity-settled share-based payments, valuation of derivative financial assets, provisions and revenue recognition. These critical accounting policies and judgements are described on page 59 of the Cenkos Securities plc’s 2019 Annual Report and Accounts.

These financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments. Where appropriate prior year figures have been restated to conform to the current year presentation.

Basis of accounting

The interim condensed financial statements for the six months ended 30 June 2020 have been prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting. The interim condensed 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 financial statements for the year ended 31 December 2019.

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2019.

The financial information contained in these interim condensed financial statements does not constitute the Company’s statutory accounts within the meaning of section 434 of the Companies Act 2006. The comparative information contained in this report for the year ended 31 December 2019 does not constitute the statutory accounts for that financial period. Those accounts have been reported on by the Company’s auditors, at the time, Ernst & Young LLP and delivered to the Registrar of Companies. The report of the auditors was unqualified and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Going Concern

The Group’s business activities, together with the factors likely to affect its future development and performance, its principal risks and uncertainties, the financial position of the Group, its cash flows and liquidity position are set out in the Strategic Report in the Group’s Annual Report for the year ended 31 December 2019.

In light of internal forecasts and the current pipeline of transactions, the Directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, the Directors continue to adopt a going concern basis in preparing the interim financial statements.

Coronavirus (‘COVID-19’) was recognised as a pandemic by the World Health Organization (WHO) on 11 March 2020. In response, the governments of many countries, states, cities and other geographic regions have taken preventative or protective actions, such as imposing restrictions on travel and business operations and advising or requiring individuals to limit or forego their time outside of their homes. These actions have severely restricted the level of economic activity around the world and impacted the health of the financial markets. Cenkos responded to COVID-19 promptly by enacting its business continuity plan and successfully implementing a

comprehensive remote working capability. These procedures are working well and have enabled us to ensure both the wellbeing of our staff and the ability to continue servicing our clients.

Throughout this period and since the period end, Cenkos has completed a number of equity fundraisings for our clients, which could suggest a period of increased economic activity as our clients look to strengthen their balance sheets, invest in growth opportunities and/or complete acquisitions. Alternatively, although our current pipeline is encouraging and we continue to win new clients, we recognise that both the virus and the measures used to contain it pose a continuing risk to the health of the economy and the financial markets. This may dissuade companies from approaching the markets to raise further capital, leading to a period of inactivity. Whilst it is not possible to quantify the overall impact of COVID-19, as described above, if it were to lead to a period of inactivity this would most likely lead to a reduction in fees generated from placing and corporate finance and a decline in fair values of listed equities, options and warrants as observed in March 2020. Management continues to monitor the impact of the COVID-19 pandemic on the Company and the financial markets.

In order to mitigate the risk associated with fluctuations in the financial markets, the Company operates a flexible business model which links risk adjusted variable remuneration to corporate performance. Fixed costs are kept low and controlled and, in addition, the review of overheads conducted in 2019 has resulted in a significantly reduced fixed cost base going forward, so providing an even stronger foundation. Cenkos is not reliant on external borrowings but is funded entirely by share capital and retained earnings. The business is not capex intensive. The trading book is tightly controlled by book limits and, apart from shares received in lieu of fees, is held for market making purposes or to facilitate client business. Cenkos has a positive cash cycle and does not run any liquidity mismatches. Cash is the largest asset on the statement of financial position and consequently its exposure to credit risk is largely due to its bank deposits before risk weighting.

Management has also performed an impact analysis as part of its going concern assessment using information available to the date of issue of these financial statements. As part of this analysis, a number of adverse scenarios have been modelled to assess the potential impact on the Company's revenue streams, in particular corporate finance fees, and on asset values, liquidity and capital adequacy. In addition, a reverse stress test has been modelled to assess the stresses the balance sheet has to endure before there is a breach of the relevant regulatory capital requirement or insufficient cash resources and including an assessment of any relevant mitigations management has within their control to implement. Having performed this analysis, management believes regulatory capital requirements continue to be met and the Company has sufficient liquidity to meet its liabilities for the next 12 months and that the preparation of the financial statements on a going concern basis remains appropriate as the Company expects to be able to meet its obligations as and when they fall due for the foreseeable future.

Changes in accounting policy

During H2 2019, the Company elected to voluntarily change its accounting policy for the Cenkos Securities Employee Benefit Trust ('EBT'), the Deferred Bonus Scheme EBT and the Share Incentive Plan ('SIP'); to treat it as an extension of the Company instead of as a separate subsidiary company. Consequently, the Company no longer has material subsidiaries as the remaining subsidiaries are all dormant companies, and, as a result, the Company is able to take advantage of the exemption under section 405 of the Companies Act 2006 and prepare separate financial statements for the Company only, rather than prepare both consolidated and parent company financial statements. This provides a clearer view of the financial performance and position of the Company for the users of the financial statements. This change has been adopted retrospectively and the impact of this change on the Company statement of financial position for the comparative period is to eliminate a balance receivable from the EBT and recognise the shares held by the EBT as own shares held, as shown in the table below:

	Restated 30 June 2019 £ 000's	Restated 1 January 2019 £ 000's
Current Assets: Trade and other receivables - Amounts owed by group undertakings	(5,004)	(4,181)
Equity: Own shares	5,004	4,181

The impact of this change on the Company cash flow statement is to include the own shares acquired by the EBT during the year under the caption 'Acquisition of own shares' and eliminate the increase in the balance receivable from the EBT from trade and other receivables.

Other new and amended standards

Other new and amended standards and Interpretations issued by the IASB that will apply for the first time in the next annual financial statements are not expected to impact the Company as they are either not relevant to the Company's activities or require accounting which is consistent with the Company's current accounting policies.

2. Revenue

Revenue is wholly attributable to the principal activity of the Company and arises solely within the UK.

Major Clients

In the six months ended 30 June 2020, one client contributed more than 10% of Cenkos' total revenue. The amount was £4.2 million (six months ended 30 June 2019: two clients each contributed more than 10% of Cenkos' total revenue. The aggregate amount was £2.4 million; year ended 31 December 2019: no one client contributed more than 10% of Cenkos' total revenue).

	Six months ended 30 June 2020 £ 000's	Six months ended 30 June 2019 £ 000's	Year ended 31 December 2019 £ 000's
Revenue streams			
Corporate finance	9,216	6,245	17,364
Nomad, broking and research	3,244	3,459	6,582
Total fee and commission income	12,460	9,704	23,946
Execution - net trading gains	445	921	1,970
	12,905	10,625	25,916
Total fee and commission income may be further disaggregated as follows:			
Services transferred at a point in time	10,058	6,897	18,416
Services transferred over a period of time	2,402	2,807	5,530
	12,460	9,704	23,946

3. Tax

The tax charge is based on the profit for the period and comprises:

	Six months ended 30 June 2020 £ 000's	Six months ended 30 June 2019 £ 000's	Year ended 31 December 2019 £ 000's
Current tax			
United Kingdom corporation tax at 19% (2019: 19%) based on the profit for the period	65	-	67
Adjustment in respect of prior period			
United Kingdom corporation tax at 19% (2019: 19%)	-	-	-
Total current tax	65	-	67
Deferred tax			
Charge on account of temporary differences	98	5	34
Deferred tax prior period adjustment	-	-	-
Total deferred tax	98	5	34
Total tax on profit / loss on ordinary activities from continuing operations	163	5	101

The tax charge for the period relates entirely to continuing operations and differs from that resulting from applying the standard rate of UK corporation tax of 19% (2019: 19%) to the profit/(loss) before tax for the reasons set out in the following reconciliation:

	Six months ended 30 June 2020 £ 000's	Six months ended 30 June 2019 £ 000's	Year ended 31 December 2019 £ 000's
Profit / (Loss) before tax from continuing operations	753	(196)	145
	753	(196)	145
Tax on profit / (loss) on ordinary activities at the UK corporation tax rate of 19% (2019: 19%)	143	(38)	28
Tax effect of:			
Non-deductible expenses for tax purposes	16	3	36
Fair value movements in relation to the DTA on share-based payments	62	18	1
Deferred tax rate change adjustment	(58)	22	36
Adjustment in respect of prior period deferred tax	-	-	-
Adjustment in respect of prior period current tax	-	-	-
Tax expense for the period	163	5	101

	Six months ended 30 June 2020 £ 000's	Six months ended 30 June 2019 £ 000's	Year ended 31 December 2019 £ 000's
Other Comprehensive Income (OCI)			
Current tax expense arising on FVOCI financial asset	(6)	-	(11)
Deferred tax credit arising on FVOCI financial asset	-	3	-
Total income tax recognised in OCI	(6)	3	(11)
Statement of changes in Equity (SOCIE)			
Current tax charge arising on FVTPL financial asset	-	-	(3)

4. Dividends

	Six months ended 30 June 2020 £ 000's	Six months ended 30 June 2019 £ 000's	Year ended 31 December 2019 £ 000's
Amounts recognised as distributions to equity holders in the period:			
Final dividend for the year ended 31 December 2019 of 1.0p (2018: 2.5p) per share	515	1,398	1,398
Interim dividend for the period to 30 June 2019 of 2.0p (2018: 2.0p) per share	-	-	1,087
	515	1,398	2,485

The proposed interim dividend for the period ended 30 June 2020 of 1.0p (30 June 2019: 2.0p) per share was approved by the Board on 1 October 2020 and has not been included as a liability as at 30 June 2020. The dividend will be payable on 20 November 2020 to all shareholders on the register at 23 October 2020.

5. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	Six months ended 30 June 2020	Six months ended 30 June 2019	Year ended 31 December 2019
From continuing operations			
Basic earnings per share	1.1p	(0.6)p	(0.2)p
Diluted earnings per share	n/a	n/a	n/a

	Six months ended 30 June 2020 £ 000's	Six months ended 30 June 2019 £ 000's	Year ended 31 December 2019 £ 000's
Earnings from continuing operations			
Earnings for the purpose of basic earnings per share being net profit attributable to equity holders of the Parent	558	(319)	(94)
Dividends on shares held in SIP and DBS	32	117	138
Earnings for the purpose of diluted earnings per share being net profit attributable to equity holders of the Parent	590	(201)	44
	No.	No.	No.
Number of shares			
Weighted average number of ordinary shares for the purpose of basic earnings per share	49,763,470	51,614,569	51,157,915
Effect of dilutive potential ordinary shares	3,606,067	3,471,944	3,863,279
Weighted average number of ordinary shares for the purpose of diluted earnings per share	53,369,537	55,086,513	55,021,194

In accordance with IAS33, when calculating the weighted average number of shares for the purpose of calculating basic earnings per share, we have deducted contingently issuable shares held in the SIP and DBS for the benefit of employees. This adjustment is required by IAS33 notwithstanding the fact that the employees have an unforfeitable right to the dividend prior to the date of vesting from the date of grant. These contingently issuable shares have been included when calculating the diluted earnings per share. For the period ended 30 June 2020, the share options issued under the SAYE scheme and the shares held in the SIP and DBS were anti-dilutive.

6. Property, plant and equipment

During the period, the Company purchased approximately £0.01 million (30 June 2019: £0.01 million, 31 December 2019: £0.20 million) of property, plant and equipment. This mostly related to the purchase of IT equipment.

7. Right-of-use assets

Cenkos has applied IFRS 16 from 1 January 2019 and after a lease modification recognised a right-of-use asset and corresponding lease liability of £5.17 million. This was calculated by discounting the quarterly lease payments over the remaining term of the leases using a discount rate which represents the incremental cost of borrowing. The right-of-use asset is being amortised over the remaining term of the lease and at 30 June 2020 had a carrying value of £4.30 million after charging £0.24 million in amortisation to the income statement.

8. Trade and other receivables

	30 June 2020 £ 000's	30 June 2019 £ 000's	31 December 2019 £ 000's
Current assets			
Financial assets			
Market and client receivables	9,398	25,896	11,225
Accrued income	357	534	279
Contract assets	229	409	316
Other receivables	607	489	598
	10,591	27,328	12,418
Non-financial assets			
Corporation tax receivable	-	-	98
Prepayments and other assets	1,146	1,263	939
	11,737	28,591	13,455

The Group has recognised expected credit losses amounting to £nil (30 June 2019: £0.01 million; 31 December 2019: £0.07 million) in accordance with the requirements of IFRS9.

The ageing analysis of trade receivables is, as follows:

	Total	Days past due				
		Not past due	< 30 days	30-60 days	61-90 days	> 91 days
	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
30 June 2020	11,737	10,625	815	95	74	128
30 June 2019	28,591	24,268	4,301	12	-	10
31 December 2019	13,455	10,797	1,573	729	56	300

9. Other current financial assets and liabilities

	30 June 2020 £ 000's	30 June 2019 £ 000's	31 December 2019 £ 000's
Financial assets at FVTPL			
Trading investments carried at fair value	3,613	9,323	8,406
Derivative financial assets - share options and warrants	550	845	567
	4,163	10,168	8,973
Financial liabilities at FVTPL			
Contractual obligation to acquire securities	(681)	(4,157)	(1,840)

Gains/ losses from financial assets and liabilities at FVTPL are included within "Revenue" in the condensed income statement.

10. Cash and cash equivalents

	30 June 2020 £ 000's	30 June 2019 £ 000's	31 December 2019 £ 000's
Cash and cash equivalents	22,352	14,660	18,333

11. Trade and other payables

	30 June 2020 £ 000's	30 June 2019 £ 000's	31 December 2019 £ 000's
Current liabilities			
Financial liabilities			
Trade creditors	7,220	20,777	7,426
Lease liabilities	296	261	42
Other creditors	103	536	496
	7,619	21,574	7,964
Non-financial liabilities			
Accruals	4,518	2,755	6,041
Cash-settled deferred bonus scheme	114	283	283
Contract liabilities	567	598	427
Corporation tax payable	-	-	-
	5,199	3,636	6,751
	12,818	25,210	14,715
Non-current liabilities			
Financial liabilities			
Lease liabilities	5,220	71	4,910
Non-financial liabilities			
Cash-settled deferred bonus scheme	117	100	309
	5,337	171	5,219

12. Deferred tax

Deferred tax arises on all taxable and deductible temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The following are the deferred tax assets and liabilities recognised by the Company and the movement thereon during the current and prior reporting year.

	Deferred bonus payments £ 000's	Property, plant and equipment £ 000's	Share- based payments £ 000's	Temporary differences	
				Tax losses £ 000's	Total £ 000's
At 31 December 2018	616	25	(121)	-	520
Origination and reversal of temporary differences (expense)/credit	(189)	(18)	56	146	(5)
Deferred tax charge to OCI	-	-	-	(3)	(3)
At 30 June 2019	427	7	(65)	143	512
Origination and reversal of temporary differences credit / (expense)	128	(19)	8	(146)	(29)
Deferred tax prior year adjustment credit	-	-	-	3	3
At 31 December 2019	555	(12)	(57)	-	486
Origination and reversal of temporary differences (credit) / expense	(114)	8	7	-	(99)
Deferred tax charge to OCI	-	-	-	-	-
At 30 June 2020	441	(4)	(50)	-	387

The standard corporation tax in the UK was 19% throughout the reporting period. As announced at Budget 2020, the corporation tax rate for the fiscal years 2020 and 2021 will remain at 19%. This rate has been substantially enacted from 17 March 2020 and is reflected in the valuation of the deferred tax balances.

The Company has unutilised capital losses on which a deferred tax asset has not been recognised as future utilisation of the losses is dependent on future chargeable gains. The unrecognised deferred tax asset in respect of capital losses carried forward is gross £302,261 (net £57,430 at 19%).

13. Share capital

The issued share capital as at 30 June 2020 amounted to £566,948 (30 June 2019: £566,948, 31 December 2019: £566,948).

1 January 2019 to 31 December 2019

There were no shares issued or cancelled during the year.

1 January 2020 to 30 June 2020

There were no shares issued or cancelled during the period.

14. Own shares

Own shares represent the cost of shares purchased by the Company's Employee Benefit Trust ("EBT") and those transferred to the deferred bonus scheme EBT and the Cenkos Securities plc Share Incentive Plan ("SIP").

The EBT was established by the Company in 2009. It is funded by the Company and has the authority to acquire Cenkos Securities plc shares. The shares held by the EBT have been excluded from the weighted average number of shares calculation up to this date. As described in note 1, prior year comparatives have been restated following a voluntary change in accounting policy to account for the EBT as an extension of the Company and therefore the shares held by the EBT are now included under own shares in equity.

	Six months ended 30 June 2020		Six months ended 30 June 2019		Year ended 31 December 2019	
	Number of shares	£ 000's	Number of shares	£ 000's	Number of shares	£ 000's
Shares held by EBT						
At 1 January	2,334,463	1,312	777,474	710	777,474	710
Acquired during the period	1,681,911	908	1,014,812	678	2,297,246	1,277
Transferred from Treasury during the period	-	-	1,384,748	942	1,384,748	942
Transferred to the SIP						
Free shares	-	-	-	-	-	-
Matching shares	-	-	-	-	-	-
Dividend reinvestment	-	-	(39,283)	(36)	-	-
Transferred to the Deferred Bonus Scheme EBT	(3,290,000)	(1,848)	(2,125,005)	(1,617)	(2,125,005)	(1,617)
At the period end	726,374	372	1,012,746	677	2,334,463	1,312
Shares held by deferred bonus scheme EBT						
At 1 January	3,346,584	2,958	2,037,632	2,085	2,037,632	2,085
Transferred in from the EBT	3,290,000	1,848	2,125,005	1,617	2,125,005	1,617
Vesting shares transferred to employees	(1,210,602)	(681)	(796,030)	(726)	(816,053)	(744)
At the period end	5,425,982	4,125	3,366,607	2,976	3,346,584	2,958
Free and matching shares held by the SIP						
At 1 January	1,116,437	1,166	1,357,527	1,386	1,357,527	1,386
Transferred from the EBT						
Free shares	-	-	-	-	-	-
Matching shares	-	-	-	-	-	-
Shares transferred to employees	(150,306)	(84)	(38,532)	(35)	(241,090)	(220)
At the period end	966,131	1,082	1,318,995	1,351	1,116,437	1,166
Shares held in treasury						
At 1 January	-	-	1,384,748	1,482	1,384,748	1,482
Acquired during the period	-	-	-	-	-	-
Transferred to EBT during the period	-	-	(1,384,748)	(942)	(1,384,748)	(942)
Loss on shares transferred to EBT recognised in equity	-	-	-	(540)	-	(540)
At the period end	-	-	-	-	-	-
At the period end: Total own shares	7,118,487	5,579	5,698,348	5,004	6,797,484	5,436

15. Financial instruments

Risk management objectives

For further information relating to the principal risks faced by the Company and how it mitigates and manages this exposure please refer to the Strategic Report in the 2019 Annual Report.

Externally imposed capital requirement

The Company is required to retain sufficient capital to satisfy the UK Financial Conduct Authority's ("FCA") capital requirements. These requirements vary from time to time depending on the business conducted by the Company. The Company always retains a buffer above the FCA minimum requirements and has complied with these requirements during and subsequent to the period end under review.

As at 30 June 2020, the Company had a solvency ratio of 289% (30 June 2019: 248%, 31 December 2019: 226%).

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 of the Company's financial statements for the year ended 31 December 2019.

The carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values. For further information concerning the Company's financial assets and liabilities please refer to notes 8, 9 and 11.

Fair value hierarchy

All financial instruments carried at fair value are placed in three categories, defined as follows:

Level 1 – Quoted market prices

Level 2 – Valuation techniques (market observable)

Level 3 – Valuation techniques (non-market observable)

The Company held the following financial instruments measured at fair value:

	Level 1 £ 000's	Level 2 £ 000's	Level 3 £ 000's	Total £ 000's
As at 30 June 2020				
FVOCI financial assets	-	-	-	-
Financial assets at FVTPL				
Market and client receivables	9,398	-	-	9,398
Derivative financial assets - share options and warrants	-	-	550	550
Non-derivative financial assets held for trading	3,613	-	-	3,613
	13,011	-	550	13,561
Financial liabilities at FVTPL				
Contractual obligation to acquire securities	681	-	-	681

There were no transfers between Level 1, 2 and 3 during the period.

	Level 1 £ 000's	Level 2 £ 000's	Level 3 £ 000's	Total £ 000's
As at 30 June 2019				
FVOCI financial assets	-	-	534	534
Financial assets at FVTPL				
Market and client receivables	25,896	-	-	25,896
Derivative financial assets - share options and warrants	-	-	845	845
Non-derivative financial assets held for trading	9,323	-	-	9,323
	35,219	-	845	36,064
Financial liabilities at FVTPL				
Contractual obligation to acquire securities	4,157	-	-	4,157

There were no transfers between Level 1, 2 and 3 during the period.

As at 31 December 2019	Level 1	Level 2	Level 3	Total
	£ 000's	£ 000's	£ 000's	£ 000's
FVOCI financial assets	-	-	60	60
Financial assets at FVTPL				
Market and client receivables	11,225	-	-	11,225
Derivative financial assets - share options and warrants	-	-	567	567
Non-derivative financial assets held for trading	8,305	-	101	8,406
	19,530	-	668	20,198
Financial liabilities at FVTPL				
Contractual obligation to acquire securities	1,840	-	-	1,840

There were no transfers between Level 1, 2 and 3 during the period.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lower level input that is significant to the fair value measurement as a whole) at the end of the reporting period.

Reconciliation of recurring fair value measurements categorised within Level 3 of the fair value hierarchy

	Unlisted securities at FVTPL	Unlisted securities at FVOCI	Share options and warrants	Total
	£ 000's	£ 000's	£ 000's	£ 000's
Opening balance 1 January 2020	101	60	567	728
Exercise of warrants	-	-	(240)	(240)
Fair value movement recognised in income statement	-	-	223	223
Shares transferred to level 1 following the resumption of trading	(101)	-	-	(101)
Disposal of unlisted securities	-	(25)	-	(25)
Fair value loss through OCI	-	(35)	-	(35)
Closing balance 30 June 2020	-	-	550	550

	Convertible loan	Unlisted securities at FVTPL	Unlisted securities at FVOCI	Share options and warrants	Total
	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
Opening balance 1 January 2019	-	-	220	975	1,195
Unlisted securities, share options and warrants received in lieu of fees	-	-	300	9	309
Fair value loss	-	-	-	(139)	(139)
Change in fair value recognised in comprehensive income	-	-	14	-	14
Closing balance 30 June 2019	-	-	534	845	1,379
Disposal of unlisted securities	-	-	(464)	-	(464)
Change in fair value recognised in comprehensive income	-	-	(60)	-	(60)
Unlisted securities, share options and warrants received in lieu of fees	61	-	50	154	265
Shares transferred from level 1 following the suspension of trading	-	101	-	-	101
Fair value loss	(61)	-	-	(432)	(493)
Closing balance 31 December 2019	-	101	60	567	728

Level 3 financial instruments consist of derivative financial assets and unlisted shares received in lieu of fees.

The unlisted equity shares are carried as FVOCI financial assets, classified as Level 3 within the fair value hierarchy. A number of valuation techniques have been used to provide a range of possible values for these shareholdings in accordance with the International

Private Equity and Venture Capital ("IPEV") valuation guidelines. The carrying values have been adjusted to values within these ranges. There have been no other factors brought to the Board's attention which would suggest that there has been a further impairment which has not been recognised in these financial statements.

The derivative financial assets are carried as financial assets at FVTPL classified as Level 3 within the fair value hierarchy and comprise equity options and warrants over listed securities.

Impact of reasonably possible alternative assumptions

The significant unobservable input used in the fair value measurement of Cenkos' holdings of share options and warrants is the volatility measure. Significant increases/decreases in the volatility measure would result in a significantly higher/lower fair value measurement.

A sensitivity analysis based on a 25% increase/decrease in the volatility measure used as an input in the valuation of the share options and warrants shows the impact of such a movement would be an increase of £0.24m or a decrease of £0.23m respectively to the profit in the income statement.

Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial instruments measured at fair value on an ongoing basis include trading assets and liabilities and financial investments classified as FVOCI.

Financial instruments are valued using models where one or more significant inputs are not observable. The best evidence of fair value is a quoted price in an actively traded market. In the event that the market for a financial instrument is not active, a valuation technique is used. The majority of valuation techniques employ only observable market data and so the reliability of the fair value measurement is high. However, certain financial instruments are valued on the basis of valuation techniques that feature one or more significant market inputs that are "non-observable". For these instruments, the fair value derived is more judgemental. "Non-observable" in this context means that there are few or no current market data available from which to determine the level at which an arm's length transaction would be likely to occur. It generally does not mean that there is absolutely no market data available upon which to base a determination of fair value (historical data may, for example, be used). Furthermore, the assessment of hierarchy level is based on the lowest level of input that is significant to the fair value of the financial instrument.

The valuation models used where quoted market prices are not available incorporate certain assumptions that the Company anticipates would be used by a third-party market participant to establish fair value.

	Fair value at 30/06/20 £ 000's	Valuation Technique	Unobservable input	Range
Share options and warrants	550	Monte Carlo simulation	Volatility	22-115%

16. Related party transactions

Transactions with related parties are made at arm's length. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The Board includes those employees considered to be key management personnel. The compensation of the key management personnel of the Company (including the Directors) and their interests in the shares and options over the shares of Cenkos Securities plc were as follows:

	Six months ended		Year ended
	30 June 2020	30 June 2019	31 December 2019
	£ 000's	£ 000's	£ 000's
Aggregate emoluments	283	704	1,055

To comply with the Pensions Act, all qualifying employees are enrolled in a pension scheme. Under the scheme, qualifying employees are required to contribute a percentage of their relevant earnings. The Company also contributes 3% (2019: 3%) of relevant earnings. During the period ended 30 June 2020, no payments were made into this scheme in respect of the Directors (2019: £nil).

	30 June 2020	30 June 2019	31 December 2019
	No.	No.	No.
Related party interests in ordinary shares of Cenkos Securities plc			
Number of shares	6,508,421	6,657,567	5,137,218
Percentage interest	11%	12%	9%

The related party interests in ordinary shares of Cenkos Securities plc includes the following interest held in the following schemes.

Related party interests in SIP	Number of shares held subject to forfeiture conditions			Number of shares held		
	30 June 2020	30 June 2019	31 December 2019	30 June 2020	30 June 2019	31 December 2019
	No.	No.	No.	No.	No.	No.
Related party interest in SIP	6,594	19,780	-	18,842	56,692	-

Related party interests in STIP	Number of shares held subject to forfeiture conditions			Number of shares held		
	30 June 2020	30 June 2019	31 December 2019	30 June 2020	30 June 2019	31 December 2019
	No.	No.	No.	No.	No.	No.
Related party interest in STIP	586,000	-	-	586,000	-	-

Related party interests in DBS	Number of shares held subject to forfeiture conditions			Number of shares held		
	30 June 2020	30 June 2019	31 December 2019	30 June 2020	30 June 2019	31 December 2019
	No.	No.	No.	No.	No.	No.
Related party interest in DBS	222,808	-	-	222,808	-	-

Related party interests in share options	Grant date	Earliest exercise date	Latest exercise date	30 June	30 June	31
				2020	2019	December
				No.	No.	No.
SAYE Scheme (Exercise price - £0.85)	14/05/2018	01/07/2021	31/12/2021	21,094	42,188	-

17. Events after the reporting period

There were no material events to report on that occurred between 30 June 2020 and the date at which the Directors signed the Interim Report.

18. Contingent liabilities

From time to time the Company may become subject to various litigation, regulatory or employment related claims. The Directors have considered any current matters pending against the Company. Based on the evidence available, the facts and circumstances and insurance cover available, the Board has concluded that the outcome of these will be resolved with no material impact on the Company's financial position or results of operations.

Independent Review Report to Cenkos Securities plc

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2020 which comprises of the Income statement, Statement of comprehensive income, Statement of financial position, Cash flow statement and Statement of changes in equity.

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

Directors' responsibilities

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

Our responsibility

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

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2020 is not prepared, in all material respects, in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

Use of our report

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

BDO LLP
Chartered Accountants
London
1 October 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Information for shareholders

Directors	Andrew Boorman Jim Durkin Lisa Gordon Jeremy Miller Julian Morse	(Non-executive Director) (Chief Executive Officer) (Non-executive Chairman) (Non-executive Director) (Executive Director)
Company Secretary	Stephen Doherty	
Anticipated Financial Calendar	October November March May June	Half-year results announced Interim dividend paid Year-end results announced Annual General Meeting Final dividend paid
Company Registration Number and Country of Incorporation	05210733, England	
Registered Office	6.7.8 Tokenhouse Yard London EC2R 7AS	
Banker	HSBC Corporate Banking 60 Queen Victoria Street London EC4N 4TR	
Solicitors	Travers Smith LLP 10 Snow Hill London EC1A 2AL	
Auditors	BDO LLP 55 Baker Street London W1U 7EU	
Registrars	Link Asset Services The Registry 34 Beckenham Road Kent BR3 4TU	
Nominated Adviser	Spark Advisory Partners Limited 5 St John's Lane London EC1M 4BH	
Broker	Cenkos Securities plc 6.7.8 Tokenhouse Yard London EC2R 7AS	
Website	www.cenkos.com	



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