2021 Cenkos Securities plc Interim Report

About Cenkos

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

We act as a nominated adviser, sponsor, broker and financial adviser 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"*

Contents

Continuing Operations

Revenue

30 June 2021	30 June 2020 **
£18.2m	£13.3m

Underlying profit *

30 June 2021	30 June 2020
£2.8m	£2.0m

Profit before tax

30 June 2021	30 June 2020
£1.7m	£0.8m

Profit after tax

30 June 2021	30 June 2020
£1.5m	£0.6m

Cash

30 June 2021	30 June 2020
£24.0m	£22.4m

Net Assets

30 June 2021	30 June 2020
£25.4m	£24.6m

Basic earnings per share

30 June 2021	30 June 2020 (Restated) ***
3.1p	1.2p

Interim dividend per share

30 June 2021	30 June 2020
1.25p	1.0p

* *Underlying profit is profit before restructuring costs and charges related to the Cenkos incentive plans and tax. A reconciliation between Underlying profit before tax and Profit before tax is shown in the table on page 2.*

** *See note 2 for further details.*

*** *Restated as explained in note 6.*

Chairman's statement

With a new leadership team in place, bringing energy and focus to delivering our strategic goals and further developing the firm's collaborative and entrepreneurial culture, I am heartened by our performance in the first six months of the financial year.

Against the backdrop of the ongoing challenges presented by Covid-19 and remote working, the leadership team have created a flexible and inclusive work environment for our employees and these results show how the firm's values of professionalism and teamwork are a key part of our recent success.

The Board is committed to building Cenkos to the number one position in our key markets and to achieve this, we must look beyond the short-term cyclicality of the markets. Our long-term strategy requires investment in both people and systems, and I am delighted to report that we continue to attract and develop the best talent to achieve this.

With an energised team, a strong balance sheet and a clear focus on our strategic goals, we are well-positioned to build further from here, creating value for our entire shareholder base.

Lisa Gordon
Non-Executive Chairman
8 September 2021

Chief Executive Officer's statement

The healthy performance in the first six months of the year, with a 44% increase in underlying profits of £2.8m, a 37% increase in revenues to £18.2m and a 25% increase in our interim dividend, is testament to the quality of our clients and the focus and commitment of our colleagues. Our people are our greatest asset and I want to thank everyone for their hard work on delivering these results and setting us up with a strong pipeline. In recognition of the importance of our people, we are proud to have implemented a company-wide TSR-based share incentive scheme for the first time to align all our key stakeholders and ensure everyone at the firm is able to share in our success.

Our drive and ambition helped us win twelve new clients across the business during the first six months of the year and successfully secure more than 10% of all funds raised on AIM during that time, as well as execute significant follow-on placings for a number of our main list investment company clients. 2 IPOs and a further 8 fundraisings since the end of the first half further demonstrate the ongoing strength of the business and its potential to continue to grow both revenue and market share.

We are seeing the benefits of our strategy begin to emerge. Maintaining a low-cost base and a strong balance sheet have allowed us to invest in people, systems and technology, provide high-touch service levels to our clients and create a resilient platform from which we can grow.

With 12 new hires in the first half, we continue to deepen our talent pool across the firm and will look to make further high-quality hires to deliver our mission of building market share.

The market for UK equities has been strong during the period, and while we see no reason for this to change in the near term, we cannot always assume favourable conditions. That said, a large proportion of our business is focused on raising money for corporates trading on AIM, which has seen the aggregate value of companies on the market double over the last seven years, and those companies consistently raise funds, with the amount raised each year on AIM ranging from £3.8 billion to £6.4 billion. By continuing to lay the groundwork for growth and through our tenacity and long-term partnering with innovative clients, we see reasons for optimism for the remainder of 2021 and beyond.

Performance

I am pleased to report that H1 2021 revenue increased by 37% to £18.2 million (H1 2020: £13.3 million) while underlying profit increased by 44% to £2.8 million (H1 2020: £2.0 million).

A summary of H1 2021 performance compared to H1 2020 is set out in the table below:

Revenue streams	Six months ended 30 June 2021 £ 000's	Six months ended 30 June 2020 £ 000's	% change
Corporate finance	12,732	9,216	38%
Nomad, broking and research	3,076	3,244	-5%
Execution - net trading gains	2,413	806	199%
Revenue	18,221	13,266	37%
Other operating expense	(45)	(361)	-88%
Staff costs	(11,778)	(7,392)	59%
Administrative expenses before restructuring and incentive plans	(3,565)	(3,539)	1%
Underlying profit	2,833	1,974	44%
Restructuring costs and incentive plans	(1,066)	(1,158)	-8%
Operating profit	1,767	816	117%
Investment income - interest income	7	23	-71%
Finance costs	(88)	(86)	2%
Profit before tax	1,686	753	124%
Tax	(183)	(163)	12%
Profit after tax	1,503	590	155%

Corporate finance

Corporate finance fees increased by 38% to £12.7 million (H1 2020: £9.2 million) reflecting an increased level of corporate activity across the market during the period. Cenkos completed 16 (H1 2020: 11) placing transactions helping its clients raise £0.58 billion in equity finance. Of this, £0.40 billion was raised on the AIM market which equates to just over 10% (H1 2020: 9%) of the £3.96 billion (H1 2020: £2.89 billion) raised by Companies during the period to 30 June 2021.

Nomad, broking and research

The number of clients represented by Cenkos increased over the first half of 2021 from 94 to 100 (June 2020: 97), although for timing reasons this is not fully reflected in the Nomad, broking and research fees generated, which decreased by 5% to £3.1 million (H1 2020: £3.2 million).

Execution

Net trading gains increased by 199% to £2.4 million (H1 2020: £0.8 million) against a backdrop of heightened market activity which had followed on from the final quarter of 2020 and continued throughout the first half of 2021. During this period, we maintained a top 5 market share in 90% (H1 2020: 94%) of our clients' stocks and overall made markets in 219 (H1 2020: 185) equities and Investment Trusts.

Other operating income

Other operating income includes the fair value gains and losses on options and warrants, which this year has been shown separately from execution – net trading gains under the revenue caption as the Directors believe this provides a clearer view of the performance of the business by separating out from revenue the gains and losses on level 3 instruments. To 30 June 2021, this showed a loss of £45k against the prior period loss of £361k, reflecting the fair value movement of the warrants received in lieu of fees and those acquired during the period.

Administrative expenses

Administrative expenses – staff costs

Staff costs increased by 59% to £11.8 million (H1 2020: £7.4 million) primarily due to an increase in the accrual for variable remuneration in line with the significant improvement in performance, but also as a result of a targeted increase in staff to 92 employees at 30 June 2021 (June 2020: 89) from 90 at 31 December 2020. This is in-line with Cenkos' aim to recruit ahead of the curve, so it may continue to provide a premium service to its clients as the business grows.

Administrative expenses – other

Other administrative expenses remained largely flat at £3.6 million (H1 2020: £3.5 million) reflecting continued tight control over the cost base offset by considered investment.

Administrative expenses – restructuring costs and Incentive Plans (STIP, LTIP & CSOP)

Costs associated with the restructuring and incentive plans decreased by 8% to £1.1 million (H1 2020: £1.2 million). In addition to the charges associated with the STIP ("Short Term Incentive Plan"), the incentive plan launched in April 2020, this caption also includes charges associated with the LTIP ("Long Term Incentive Plan") and CSOP ("Company Share Option Plan"). These schemes were launched in May 2021, aimed at retaining and incentivizing staff, with the LTIP focused on senior management and the CSOP all employees. The charge of £0.6 million (H1 2020: £0.5 million) in respect of these plans represents the portion of the fair value of the schemes allocated to this period.

Profit and earnings per share

Underlying profit increased by 44% to £2.8 million (H1 2020: £2.0 million). Underlying profit is disclosed before restructuring costs and costs associated with the incentive plans as the Directors believe this provides a clearer view of the performance of the business.

Statutory profit before tax for the period increased by 124% to £1.7 million (H1 2020: £0.8 million). The tax charge for the period of £0.2 million (H1 2020: £0.2 million) equates to an effective tax rate of 11% (H1 2020: 22%). Profit after tax for the period was £1.5 million (H1 2020: £0.6 million).

Basic earnings per share for the period was 3.1p (H1 2020 Restated: 1.2p).

Financial position

The statement of financial position shows net assets increased to £25.4 million as at 30 June 2021 (30 June 2021: £24.6 million), which reflects the profits generated over the period being partially offset by the cost of shares acquired by the EBT and dividends paid.

The decrease in non-current assets relates to the amortization of the right of use asset recognized in respect of the London and Edinburgh office leases, which has a corresponding impact on trade and other payables.

The increase in net trading investments is mainly due to the increase in asset prices and activity over the period. The increase in activity and the settlement of share trades is also reflected in the movements in trade and other receivables and trade and other payables. Profitable trading during the period has resulted in an increase in the accrual for variable remuneration and cash and cash equivalents.

Net assets summary	30 June 2021 £ 000's	30 June 2020 £ 000's	Change £ 000's
Non-current assets	4,771	5,171	(400)
FVOCI financial assets	-	-	-
Other current financial assets	7,126	4,163	2,963
Other current financial liabilities	(2,678)	(681)	(1,997)
Net trading investments	4,448	3,482	965
Trade and other receivables	15,821	11,737	4,085
Trade and other payables	(23,620)	(18,155)	(5,465)
Cash and cash equivalents	23,982	22,352	1,630
	25,402	24,587	816

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.

The new Investment Firms Prudential Regime ('IFPR') is due to come into force in January 2022. Whilst the legislation is subject to final approval, Management has conducted a high-level review and expect there to be little change to Cenkos' capital requirement under the new IFPR.

At 30 June 2021, Cenkos had a capital resources surplus of £17.0 million (H1 2020: £15.8 million) above its Pillar 1 regulatory capital requirement.

The Board

As previously announced, Jim Durkin retired from the Company on the 12 May 2021. Subsequent to the Annual General Meeting, Julian Morse took up the position of Chief Executive Officer and Jeremy Osler took up his role as an Executive Director of the Company, both positions having received regulatory approval from the Financial Conduct Authority.

Going concern

The Coronavirus ('COVID-19') continues to have a major impact worldwide. Many countries still have measures in place restricting travel, business operations and peoples' activities to contain the spread of the virus. In the UK, restrictions have been removed largely due to the success of the vaccination programme resulting in a fall in the number of new cases and hospitalizations. This is being closely monitored, as is the emergence of new variants and their resistance to the vaccines. Cenkos' offices are open and fully operational, although should restrictions be re-imposed, the business continuity plan will once again be enacted. Management has performed an impact analysis as part of its going concern assessment using information available to the date of issue of these financial statements. Having performed this analysis, management believes: (a) regulatory capital requirements will continue to be met; (b) the Company has sufficient liquidity to meet its liabilities for the next 12 months; and (c) 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.

Outlook

Since the end of the period, the completion of 2 IPOs and a further 8 fundraisings further demonstrate the ongoing strength of the business and its pipeline. Whilst we cannot always assume favourable conditions within equity markets, by continuing to lay the groundwork for growth and through our tenacity and long-term partnering with clients, we see reasons for optimism for the remainder of 2021 and beyond.

Dividend

The Board recognises the importance of dividends to our shareholders, and since being admitted to AIM we have returned the equivalent of 180.8p per share of cash to shareholders.

The Board will continue to look to return significant value to shareholders while seeking to establish a level of consistency of dividend payments throughout variable market conditions.

The Board proposes an interim dividend of 1.25p (H1:2020 1.0p) per share. The dividend will be paid on 4 November 2021 to all shareholders on the register at 8 October 2021.

Julian Morse
Chief Executive Officer
8 September 2021

Financial Statements

Condensed income statement

For the six months ended 30 June 2021

	Notes	Unaudited Six months ended 30 June 2021 £ 000's	Unaudited Six months ended 30 June 2020 £ 000's	Audited Year ended 31 December 2020 £ 000's
Continuing operations				
Revenue	2	18,221	13,266	31,654
Other operating income/(expense)	3	(45)	(361)	259
Administrative expenses		(16,409)	(12,089)	(29,514)
Operating profit		1,767	816	2,399
Investment income - interest income		7	23	30
Finance costs - interest on lease liability		(88)	(86)	(176)
Profit before tax from continuing operations		1,686	753	2,253
Tax	4	(183)	(163)	(449)
Profit after tax		1,503	590	1,804
Attributable to:				
Equity holders of Cenkos Securities plc		1,503	590	1,804
			Restated*	
Basic earnings per share	6	3.1p	1.2p	3.7p
Diluted earnings per share	6	2.7p	1.1p	3.3p

* Restated as explained in note 6

Condensed statement of comprehensive income

For the six months ended 30 June 2021

	Unaudited Six months ended 30 June 2021 £ 000's	Unaudited Six months ended 30 June 2020 £ 000's	Audited Year ended 31 December 2020 £ 000's
Profit	1,503	590	1,804
Amounts that will not be recycled to income statement in future periods			
Loss on FVOCI financial asset	-	(36)	(35)
Tax on FVOCI financial asset	-	6	6
Other comprehensive losses	-	(30)	(29)
Total comprehensive income	1,503	560	1,775
Attributable to:			
Equity holders of Cenkos Securities plc	1,503	560	1,775

Condensed statement of financial position

As at 30 June 2021

	Notes	Unaudited 30 June 2021 £ 000's	Unaudited 30 June 2020 £ 000's	Audited 31 December 2020 £ 000's
Non-current assets				
Property, plant and equipment	7	320	434	382
Right-of-use assets	8	3,817	4,299	4,059
Intangible asset		16	50	33
Deferred tax asset	13	617	387	727
Investments in subsidiary undertakings		1	1	1
		4,771	5,171	5,202
Current assets				
Trade and other receivables	9	15,821	11,737	12,993
FVOCI financial assets		-	-	-
Other current financial assets	10	7,126	4,163	5,312
Cash and cash equivalents	11	23,982	22,352	32,735
		46,929	38,252	51,040
Total assets		51,700	43,423	56,242
Current liabilities				
Trade and other payables	12	(18,913)	(12,818)	(24,520)
Other current financial liabilities	10	(2,678)	(681)	(1,011)
		(21,591)	(13,499)	(25,531)
Net current assets		25,338	24,753	25,509
Non-current liabilities				
Trade and other payables	12	(4,707)	(5,337)	(5,086)
Total liabilities		(26,298)	(18,836)	(30,617)
Net assets		25,402	24,587	25,625
Equity				
Share capital	14	567	567	567
Share premium		3,331	3,331	3,331
Capital redemption reserve		195	195	195
Own shares	15	(6,796)	(5,579)	(6,607)
FVOCI reserve		(170)	(171)	(170)
Retained earnings		28,275	26,244	28,309
Total equity		25,402	24,587	25,625

Condensed cash flow statement

For the six months ended 30 June 2021

	Notes	Unaudited Six months ended 30 June 2021 £ 000's	Unaudited Six months ended 30 June 2020 £ 000's	Audited Year ended 31 December 2020 £ 000's
Profit		1,503	590	1,804
Adjustments for:				
Investment income - interest income		(7)	(22)	(30)
Finance costs - interest on lease liability		88	86	176
Tax expense		183	163	449
Depreciation of property, plant and equipment, ROU assets and intangible asset		329	348	691
Shares and options received in lieu of fees		(163)	(120)	(11)
Share-based payment expense		1,035	945	2,395
Operating cash inflow before movements in working capital		2,968	1,990	5,474
(Increase) / decrease in net trading investments and FVOCI financial assets		16	3,795	2,867
(Increase) / decrease in trade and other receivables		(2,823)	1,756	468
(Decrease) / increase in trade and other payables		(5,295)	(2,596)	8,301
Net cash (outflow) / inflow from operating activities before interest and tax paid		(5,134)	4,945	17,110
Tax paid		(485)	-	(99)
Net cash (outflow) / inflow from operating activities		(5,619)	4,945	17,011
Investing activities				
Interest received		-	26	24
Purchase of property, plant and equipment	7	(9)	(7)	(41)
Net cash outflow from investing activities		(9)	19	(17)
Financing activities				
Landlord incentive received as part of lease arrangement		-	500	500
Rent paid under lease arrangement		(378)	(22)	(117)
Dividends paid		(1,280)	(515)	(1,027)
Proceeds from sale of own shares to employees on dividend reinvestment		14	-	12
Acquisition of own shares		(1,481)	(908)	(1,960)
Net cash used in financing activities		(3,125)	(945)	(2,592)
Net (decrease) / increase in cash and cash equivalents		(8,753)	4,019	14,402
Cash and cash equivalents at beginning of period		32,735	18,333	18,333
Cash and cash equivalents at end of period	11	23,982	22,352	32,735

Condensed statement of changes in equity

For the six months ended 30 June 2021

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 asset 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
Profit	-	-	-	-	-	1,214	1,214
Loss on FVOCI financial assets net of tax	-	-	-	-	1	-	1
Total comprehensive income	-	-	-	-	1	1,214	1,215
Issue of shares to employees on dividend reinvestment	-	-	-	13	-	-	13
Transfer of shares from share plans to employees	-	-	-	11	-	(11)	-
Acquisition of own shares	-	-	-	(1,052)	-	-	(1,052)
Credit to equity for equity-settled share-based payments	-	-	-	-	-	1,374	1,374
Dividends paid	-	-	-	-	-	(512)	(512)
Balance at 31 December 2020	567	3,331	195	(6,607)	(170)	28,309	25,625

	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 2021	567	3,331	195	(6,607)	(170)	28,309	25,625
Profit	-	-	-	-	-	1,503	1,503
Total comprehensive income	-	-	-	-	-	1,503	1,503
Issue of shares to employees on dividend reinvestment	-	-	-	8	-	6	14
Transfer of shares from share plans to employees	-	-	-	1,284	-	(1,284)	-
Acquisition of own shares	-	-	-	(1,481)	-	-	(1,481)
Credit to equity for equity-settled share-based payments	-	-	-	-	-	985	985
Deferred tax on share-based payments	-	-	-	-	-	36	36
Dividends paid	-	-	-	-	-	(1,280)	(1,280)
Balance at 30 June 2021	567	3,331	195	(6,796)	(170)	28,275	25,402

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 2021 are unaudited and were approved by the Board of Directors for issue on 8 September 2021.

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 UK-adopted International Accounting Standards 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 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 68 of the Cenkos Securities plc’s 2020 Annual Report and Accounts. In addition to this, to the extent that derivative financial assets are traded, reference is made to recent bargains in estimating the fair value of these financial assets. The Directors consider that this reflects fair consideration for the services provided.

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

On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board. Cenkos Securities PLC transitioned to UK-adopted International Accounting Standards in its Financial Statements on 1 January 2021. This change constitutes a change in accounting framework. However, there is no impact on recognition, measurement or disclosure in the period reported as a result of the change in framework.

The interim condensed financial statements for the six months ended 30 June 2021 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 2020.

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 2020 apart from in relation to derivative financial assets, where to the extent that they are traded, reference is made to recent bargains in estimating the fair value of these financial assets.

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 2020 does not constitute the statutory accounts for that financial period. Those accounts have been reported on by the Company’s auditors, BDO 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 2020.

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.

The Coronavirus ('COVID-19') continues to have a major impact worldwide. Many countries still have measures in place restricting travel, business operations and peoples' activities to contain the spread of the virus. In the UK, restrictions have been removed largely due to the success of the vaccination program resulting in a fall in the number of new cases and hospitalisations. This is being closely monitored as is the emergence of new variants and their resistance to the vaccines. Cenkos offices are open and fully operational, although should restrictions be re-imposed, the business continuity plan will once again be enacted.

In its 6th assessment report released in August 2021, the Intergovernmental Panel on Climate Change ('IPCC') highlights the catastrophic impact human activity is having on global warming and its links to recent extreme worldwide weather patterns. This report is timed to focus the minds of the governments, across 195 countries, ahead of the UN Climate change conference (COP26) in October this year and encourage multilateral agreement to significantly reduce greenhouse gas emissions. This potentially will have a wide-ranging impact on the conduct of business and our daily lives.

Cenkos has performed well in the first six months of the year and since the period end, has completed a number of equity fundraisings for our clients, including two IPOs. This could suggest the current favourable market conditions are set to continue. Alternatively, although our current pipeline is encouraging and we continue to win new clients, we recognize that our performance is reliant on the success of Government efforts to stimulate the economy; any commitments made at COP26 resulting in opportunities for Growth companies rather than having a negative impact on the economy; and the continued success of the vaccination program in combatting COVID-19 and any new variants, meaning further measures to control the spread of the virus such as lockdowns are not required.

Whilst it is not possible to quantify the overall impact of the events, 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. Management continues to monitor the impact of the COVID-19 pandemic and Climate Change 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. Cenkos is not reliant on external borrowings but is funded entirely by share capital and retained earnings. The business is not capitally 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.

New and amended standards

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 2021, two clients contributed more than 10% of Cenkos' total revenue. One contributed £3.8m and the other £2.1m (six months ended 30 June 2020: one client contributed more than 10% of Cenkos' total revenue. The amount was £4.2 million; year ended 31 December 2020: two clients each contributed more than 10% of Cenkos total revenue. One contributed £4.2m and the other £4.0m).

Revenue streams	Six months ended 30 June 2021 £ 000's	Six months ended 30 June 2020 £ 000's	Year ended 31 December 2020 £ 000's
Corporate finance	12,732	9,216	22,250
Nomad, broking and research	3,076	3,244	6,175
Total fee and commission income	15,808	12,460	28,425
Execution - net trading gains	2,413	806	3,229
	18,221	13,266	31,654
Total fee and commission income may be further disaggregated as follows:			
Services transferred at a point in time	13,268	10,058	23,558
Services transferred over a period of time	2,540	2,402	4,867
	15,808	12,460	28,425

3. Other operating expense

	30 June 2021 £ 000's	30 June 2020 £ 000's	31 December 2020 £ 000's
Initial gain on warrants acquired	749	-	-
Fair value movement of options and warrants	(1,715)	(361)	259
Fair value movement in pay away to third party	921	-	-
	(45)	(361)	259

Other operating expense includes the fair value gains and losses on options and warrants, which this year has been shown separately from execution – net trading gains under the revenue caption as the Directors believe this provides a clearer view of the performance of the business by separating out from revenue the gains and losses on level 3 instruments.

During the period, a number of warrants were acquired from a third party and it was agreed that were any value to be realised from the sale or exercise of the warrants, a portion of the proceeds would be paid back to the third party. This is disclosed under the caption pay away to third party in the note above.

4. Tax

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

	Six months ended 30 June 2021 £ 000's	Six months ended 30 June 2020 £ 000's	Year ended 31 December 2020 £ 000's
Current tax			
United Kingdom corporation tax at 19% (2020: 19%) based on the profit for the period	36	65	671
Adjustment in respect of prior period			
United Kingdom corporation tax at 19% (2020: 19%)	-	-	19
Total current tax	36	65	690
Deferred tax			
Charge on account of temporary differences	147	98	(223)
Deferred tax prior period adjustment	-	-	(18)
Total deferred tax (refer to note 13)	147	98	(241)
Total tax on profit on ordinary activities from continuing operations	183	163	449

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% (2020: 19%) to the profit/(loss) before tax for the reasons set out in the following reconciliation:

	Six months ended 30 June 2021 £ 000's	Six months ended 30 June 2020 £ 000's	Year ended 31 December 2020 £ 000's
Profit before tax from continuing operations	1,686	753	2,253
	1,686	753	2,253
Tax on profit on ordinary activities at the UK corporation tax rate of 19% (2020: 19%)	321	143	428
Tax effect of:			
Non-deductible expenses for tax purposes	14	16	35
Fair value movements in relation to the DTA on share-based payments	(74)	62	45
Deferred tax rate change adjustment	(78)	(58)	(59)
Adjustment in respect of prior period deferred tax	-	-	(18)
Adjustment in respect of prior period current tax	-	-	18
Tax expense for the period	183	163	449

	Six months ended 30 June 2021 £ 000's	Six months ended 30 June 2020 £ 000's	Year ended 31 December 2020 £ 000's
Other Comprehensive Income (OCI)			
Current tax expense arising on FVOCI financial asset	-	(6)	(6)
Total income tax recognised in OCI	-	(6)	(6)
Statement of changes in Equity (SOCIE)			
Deferred tax credit arising on share-based payments	(36)	-	-

5. Dividends

	Six months ended 30 June 2021 £ 000's	Six months ended 30 June 2020 £ 000's	Year ended 31 December 2020 £ 000's
Amounts recognised as distributions to equity holders in the period:			
Final dividend for the year ended 31 December 2020 of 2.5p (2019: 1.0p) per share	1,280	515	515
Interim dividend for the period to 30 June 2020 of 1.0p (2019: 2.0p) per share	-	-	512
	1,280	515	1,027

The proposed interim dividend for 30 June 2021 of 1.25p (30 June 2020: 1.0p) per share was approved by the Board on 8 September 2021 and has not been included as a liability as at 30 June 2021. The dividend will be payable on 4 November 2021 to all shareholders on the register at 8 October 2021.

6. Earnings per share

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

	Six months ended 30 June 2021	Six months ended 30 June 2020 Restated	Year ended 31 December 2020
From continuing operations			
Basic earnings per share	3.1p	1.2p	3.7p
Diluted earnings per share	2.7p	1.1p	3.3p

Earnings from continuing operations	Six months ended 30 June 2021 £ 000's	Six months ended 30 June 2020 Restated £ 000's	Year ended 31 December 2020 £ 000's
Earnings for the purpose of calculating basic and diluted earnings per share being net profit attributable to equity holders of the Parent	1,503	590	1,804
	No.	No.	No.
Number of shares			
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	48,096,874	49,763,470	49,181,282
Effect of dilutive potential ordinary shares	8,083,077	3,606,067	5,303,193
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share	56,179,951	53,369,537	54,484,475

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 un-forfeitable 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. Prior year June 2020 comparatives have been restated to conform with IAS 33 such that there is no longer any adjustment for dividends on shares held in the SIP & DBS in arriving at Earnings for the purposes of calculating basic earnings per share.

7. Property, plant and equipment

During the period, the Company purchased approximately £0.01 million (30 June 2020: £0.01 million, 31 December 2020: £0.04 million) of property, plant and equipment. This mostly related to the purchase of IT equipment.

8. Right-of-use assets

The right-of-use assets represents the discounted value of the contracted payments and receipt of landlord lease incentives under the terms of the leases for the Edinburgh and London offices at the later of lease commencement, IFRS16 date of initial application and the date of the lease modification. The lease payments have been discounted by a rate equivalent to the incremental cost of borrowing. The right-of-use assets are being amortised over the remaining terms of the leases and at 30 June 2021 had a carrying value of £3.82 million after charging £0.24 million in amortisation to the income statement (30 June 2020 had a carrying value of £4.30 million after charging £0.24 million in amortisation to the income statement; 31 December 2020 had a carrying value of £4.06 million after charging £0.48 million in amortisation to the income statement).

9. Trade and other receivables

	30 June 2021 £ 000's	30 June 2020 £ 000's	31 December 2020 £ 000's
Current assets			
Financial assets			
Market and client receivables	13,259	9,398	11,478
Accrued income	161	357	196
Contract assets	411	229	178
Other receivables	723	607	639
	14,554	10,591	12,491
Non-financial assets			
Prepayments and other assets	1,267	1,146	502
	15,821	11,737	12,993

The Company has recognised expected credit losses amounting to £nil (30 June 2020: £nil; 31 December 2020: £nil) in accordance with the requirements of IFRS9. It has also recognised a provision against specific debts of £0.17million (30 June 2020: £0.10 million; 31 December 2020: £nil).

The ageing analysis of financial assets is, as follows:

			Days past due			
	Total £ 000's	Not past due £ 000's	< 30 days £ 000's	30-60 days £ 000's	61-90 days £ 000's	> 91 days £ 000's
30 June 2021	14,554	13,246	1,155	68	8	77
30 June 2020	10,591	9,479	815	95	74	128
31 December 2020	12,491	10,809	1,281	236	112	53

10. Other current financial assets and liabilities

	30 June 2021 £ 000's	30 June 2020 £ 000's	31 December 2020 £ 000's
Financial assets at FVTPL			
Trading investments carried at fair value	5,530	3,613	4,305
Derivative financial assets - share options and warrants	1,596	550	1,007
	7,126	4,163	5,312
Financial liabilities at FVTPL			
Contractual obligation to acquire securities	(2,208)	(681)	(1,011)
Contractual obligation to pay away to third party	(470)	-	-
Contractual obligation to acquire securities	(2,678)	(681)	(1,011)

Trading investments carried at fair value included above under financial assets at FVTPL and financial liabilities at FVTPL include long positions and short positions (contractual obligations to acquire securities), respectively, in listed equity securities that present the Company with the opportunity for return through dividend income and net trading gains. The fair values of these securities are based on quoted market prices. Net trading gains from these securities relate to market making activities and are included under Execution - Net Trading Gains in the Income Statement. Share options and warrants included above under financial assets at FVTPL and financial liabilities at FVTPL include share options and warrants either acquired or received in lieu of fees and any related pay away to third parties (Contractual obligation to pay away to third party). The fair value movement of these securities is included under other operating income in the Income statement.

11. Cash and cash equivalents

	30 June 2021 £ 000's	30 June 2020 £ 000's	31 December 2020 £ 000's
Cash and cash equivalents	23,982	22,352	32,735

12. Trade and other payables

	30 June 2021 £ 000's	30 June 2020 £ 000's	31 December 2020 £ 000's
Current liabilities			
Financial liabilities			
Trade creditors	9,651	7,220	9,404
Lease liabilities	572	296	584
Cash-settled deferred bonus scheme	96	114	145
Accruals	7,626	4,518	12,962
Other creditors	313	103	391
	18,258	12,251	23,486
Non-financial liabilities			
Contract liabilities	619	567	549
Corporation tax payable	36	-	485
	655	567	1,034
	18,913	12,818	24,520
Non-current liabilities			
Financial liabilities			
Lease liabilities	4,649	5,220	4,927
Cash-settled deferred bonus scheme	58	117	159
	4,707	5,337	5,086

13. 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 periods.

	Deferred bonus payments £ 000's	Property, plant and equipment £ 000's	Share-based payments £ 000's	Total £ 000's
At 31 December 2019	555	(12)	(57)	486
Origination and reversal of temporary differences (expense)/credit	(114)	8	7	(99)
Deferred tax charge to OCI	-	-	-	-
At 30 June 2020	441	(4)	(50)	387
Origination and reversal of temporary differences credit / (expense)	315	(7)	14	322
Deferred tax prior year adjustment credit	-	18	-	18
At 31 December 2020	756	7	(36)	727
Origination and reversal of temporary differences (credit) / expense	(242)	5	91	(146)
Deferred tax credit to equity	-	-	36	36
At 30 June 2021	514	12	91	617

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 2021 and 2022 will remain at 19%. Finance Bill 2021, which includes provision for the main rate of corporation tax to increase to 25% with effect from 1 April 2023, was substantially enacted on 24 May 2021. The deferred tax balances at 30 June 2021 have been stated at 25% and 19% as these are the expected prevailing rates when the individual temporary differences are expected to reverse.

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 (£75,565 at 25%). There are no uncertain tax positions that require disclosure under IFRIC23.

14. Share capital

The issued share capital as at 30 June 2021 amounted to £566,948 (30 June 2020: £566,948, 31 December 2020: £566,948).

1 January 2020 to 31 December 2020

There were no shares issued or cancelled during the year.

1 January 2021 to 30 June 2021

There were no shares issued or cancelled during the period.

15. 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, the Short-Term Incentive Plan EBT ("STIP") 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.

	Six months ended 30 June 2021		Six months ended 30 June 2020		Year ended 31 December 2020	
Shares held by EBT	Number of shares	£ 000's	Number of shares	£ 000's	Number of shares	£ 000's
At 1 January	3,024,352	1,475	2,334,463	1,312	2,334,463	1,312
Acquired during the period	1,508,392	1,147	1,681,911	908	3,889,889	1,960
Transferred to STIP	-	-	(3,200,000)	(1,797)	(3,200,000)	(1,797)
Transferred to Deferred Bonus Scheme EBT	(2,921,040)	(1,424)	-	-	-	-
At the period end	1,611,704	1,198	816,374	423	3,024,352	1,475
Shares held by deferred bonus scheme EBT						
At 1 January	2,135,982	2,279	3,346,584	2,958	3,346,584	2,958
Acquired during the period	357,137	334	-	-	-	-
Transferred in from EBT	2,921,040	1,424	-	-	-	-
Vesting shares transferred to employees	(946,134)	(461)	(1,210,602)	(681)	(1,210,602)	(679)
At the period end	4,468,025	3,576	2,135,982	2,277	2,135,982	2,279
Shares held by the STIP						
At 1 January	3,200,000	1,797	-	-	-	-
Transferred in from EBT	(1,600,000)	(780)	3,200,000	1,797	3,200,000	1,797
At the period end	1,600,000	1,017	3,200,000	1,797	3,200,000	1,797
Free and matching shares held by the SIP	Number of shares	£ 000's	Number of shares	£ 000's	Number of shares	£ 000's
At 1 January	920,011	1,056	1,116,437	1,166	1,116,437	1,166
Shares transferred to employees	(104,728)	(51)	(150,306)	(84)	(196,426)	(110)
At the period end	815,283	1,005	966,131	1,082	920,011	1,056
At the period end: Total own shares	8,513,012	6,796	7,118,487	5,579	9,280,345	6,607

16. 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 2020 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 2021, the Company had a solvency ratio of 326% (30 June 2020: 289%, 31 December 2020: 266%).

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 2020. In addition to this, to the extent that derivative financial assets are traded, reference is made to recent bargains in estimating the fair value of these financial assets.

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 9, 10 and 12.

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:

As at 30 June 2021	Level 1 £ 000's	Level 2 £ 000's	Level 3 £ 000's	Total £ 000's
Financial assets at FVTPL				
Market and client receivables	13,259	-	-	13,259
Derivative financial assets - share options and warrants	-	-	1,596	1,596
Non-derivative financial assets held for trading	5,530	-	-	5,530
	18,789	-	1,596	20,385
Financial liabilities at FVTPL				
Contractual obligation to acquire securities	2,208	-	-	2,208
Contractual obligation to pay away to third parties	-	-	470	470
	2,208	-	470	2,678

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

As at 30 June 2020	Level 1 £ 000's	Level 2 £ 000's	Level 3 £ 000's	Total £ 000's
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.

As at 31 December 2020	Level 1 £ 000's	Level 2 £ 000's	Level 3 £ 000's	Total £ 000's
Financial assets at FVTPL				
Market and client receivables	11,478	-	-	11,478
Derivative financial assets - share options and warrants	-	-	1,007	1,007
Non-derivative financial assets held for trading	4,305	-	-	4,305
	15,783	-	1,007	16,790
Financial liabilities at FVTPL				
Contractual obligation to acquire securities	1,011	-	-	1,011

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

	Share options and warrants £ 000's	Pay away to third party £ 000's	Total £ 000's
Opening balance 1 January 2021	1,007	-	1,007
Fair value movement recognised in income statement *	(1,715)	921	(794)
Options and warrants received in lieu of fees	163	-	163
Fair value of options and warrants acquired *	2,141	(1,391)	750
Closing balance 30 June 2021	1,596	(470)	1,126

* The net of the fair value of options and warrants acquired and the fair value movement recognised in the income statement equates to the balance on note 3: Other operating expense.

	Unlisted securities at FVTPL £ 000's	Unlisted securities at FVOCI £ 000's	Share options and warrants £ 000's	Total £ 000's
Opening balance 1 January 2020	101	60	567	728
Exercise of warrants	-	-	(240)	(240)
Shares transferred from level 1 following the suspension of trading	(101)	-	-	(101)
Disposal of unlisted securities	-	(25)	-	(25)
Fair value movement recognised in income statement	-	-	223	223
Fair value loss recognised in OCI	-	(35)	-	(35)
Closing balance 30 June 2020	-	-	550	550
Exercise of warrants	-	-	(54)	(54)
Unlisted warrants received in lieu of fees	-	-	181	181
Fair value movement recognised in income statement	-	-	330	330
Closing balance 31 December 2020	-	-	1,007	1,007

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. The related Contractual obligation to pay away to third parties are carried as financial liabilities at FVTPL classified as Level 3 within the fair value hierarchy and comprise obligation to pay away a portion of the proceeds realised from the sale or exercise of warrants acquired from a third party.

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/decrease of £0.31m 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 30/06/21 £ 000's	Valuation Technique	Unobservable input	Range
Share options and warrants	1,596	Monte Carlo simulation	Volatility	44-82%
Pay away to third party	(470)	% of value of related warrant	Value of related warrant	n/a

17. 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 2021 £ 000's	30 June 2020 £ 000's	31 December 2020 £ 000's
Aggregate emoluments	841	283	1,556

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% (2020: 3%) of relevant earnings. During the period ended 30 June 2021, no payments were made into this scheme in respect of the Directors (2020: £nil).

Related party interests in ordinary shares of Cenkos Securities plc	30 June 2021 No.	30 June 2020 No.	31 December 2020 No.
Number of shares	2,052,273	6,508,421	6,548,421
Percentage interest	4%	11%	12%

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

	Number of shares held subject to forefeiture conditions			Number of shares held		
	30 June 2021	30 June 2020	31 December 2020	30 June 2021	30 June 2020	31 December 2020
	No.	No.	No.	No.	No.	No.
Related party interest in SIP	-	6,594	6,594	27,116	18,842	18,842
Related party interest in STIP	293,000	586,000	586,000	293,000	586,000	586,000
Related party interest in DBS	456,630	222,808	222,808	456,630	222,808	222,808

The related party interests in share options over ordinary shares of Cenkos Securities plc includes the following interest held in the following schemes:

	Grant date	Earliest exercise date	Latest exercise date	30 June 2021 No.	30 June 2020 No.	31 December 2020 No.
SAYE Scheme (Exercise price - £0.85)	14/05/2018	01/06/2021	30/11/2021	-	21,094	-
SAYE Scheme (Exercise price - £0.40)	17/11/2020	01/01/2024	30/06/2024	89,936	-	44,698
LTIP Scheme (Exercise price - £nil)	08/04/2021	08/04/2024	07/04/2031	656,667	-	-
LTIP Scheme (Exercise price - £nil)	08/04/2021	08/04/2025	07/04/2031	656,667	-	-
LTIP Scheme (Exercise price - £nil)	08/04/2021	08/04/2026	07/04/2031	656,667	-	-
CSOP Scheme (Exercise price - £0.735)	26/03/2021	26/03/2024	25/03/2031	80,000	-	-

18. Events after the reporting period

There were no material events to report on that occurred between 30 June 2021 and the date at which the Directors signed the Interim Report.

19. 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 2021 which comprises the condensed income statement, the condensed statement of comprehensive income, the condensed statement of financial position, the condensed cash flow statement and the condensed statement of changes in equity and all accompanying notes.

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

Directors' responsibilities

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

Our responsibility

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

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 2021 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
8 September 2021

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

Information for shareholders

Directors	Andrew Boorman	(Non-executive Director)
	Lisa Gordon	(Non-executive Chairman)
	Jeremy Miller	(Non-executive Director)
	Julian Morse	(Chief Executive Officer)
	Jeremy Osler	(Executive Director)
Company Secretary	Stephen Doherty	
Anticipated Financial Calendar	September	Half-year results announced
	November	Interim dividend paid
	March	Year-end results announced
	May	Annual General Meeting
	June	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 10th Floor Central Square 29 Wellington Street, Leeds LS1 4DL	
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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