



2019 Cenkos Securities plc  
Interim Report

# About Cenkos

## Cenkos Securities plc<sup>\*</sup> 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") and is a member of the LSE. It has offices in London and Edinburgh.

<sup>\*</sup> The "Company" or "Cenkos" together with its subsidiaries (the "Group" or the "Firm")

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### Financial Highlights

#### Revenue<sup>\*</sup>

30 June 2019	30 June 2018
£10.6m	£18.1m

#### (Loss)/profit after tax

30 June 2019	30 June 2018
£(0.2)m	£0.3m

#### Net assets

30 June 2019	30 June 2018
£26.0m	£26.3m

#### Interim dividend per share

30 June 2019	30 June 2018
2.0p	2.0p

#### (Loss)/profit before tax

30 June 2019	30 June 2018
£(0.2)m	£0.5m

#### Cash

30 June 2019	30 June 2018
£14.7m	£21.7m

#### Basic Earnings per share

30 June 2019	30 June 2018
(0.6)p	0.6p

<sup>\*</sup> Revenue includes net trading gains of £0.9m (H1 2018: £2.1m)

### Operational highlights

- Cenkos has maintained a strong cash position and a healthy capital surplus of £15.9 million (2018: £12.0 million) above its Pillar 1 capital requirement.
- Reduction in H1 2019 revenue as a result of market conditions.

# Chief Executive's statement

## Interim management report

### Performance

Following the announcement of my proposed appointment as Executive Director and Chief Executive on 5 November 2018, I am able to report that I received regulatory approval from the FCA on 12 August 2019 and I am pleased to present Cenkos Securities plc Interim Report for the six months ended 30 June 2019. I would like to thank my predecessor Anthony Hotson for staying in post over the last 9 months and steering the Group through what has been a challenging landscape.

During 2019, the financial markets and investor sentiment have been severely tested by global issues and the economic and political uncertainty surrounding the UK's exit from the European Union. Transactional volumes in the equities markets in the first half were extremely low as investors maintained a cautious approach. This in turn led to a 41% reduction in Cenkos' H1 2019 revenue to £10.6 million (2018: £18.1 million). Despite these challenging market conditions, the strength and flexibility of our business model has meant that we have still achieved a broadly break-even result.

A summary of the revenue streams in H1 2019 compared to H1 2018 is set out below.

### Revenue streams

	Six months ended 30 June 2019 £ 000's	Six months ended 30 June 2018 £ 000's
Corporate finance	6,245	11,925
Nomad and broking	2,521	2,552
Research	938	1,538
Total fee and commission income	9,704	16,015
Execution – net trading gains	921	2,085
	10,625	18,100

### Corporate finance

Corporate finance fees decreased by 48% to £6.2 million (H1 2018: £11.9 million) as a result of both lower transaction volumes and smaller deal sizes. Only one IPO was completed in H1 2019 compared with 3 in H1 2018. This result was against a backdrop of falling investor sentiment evidenced by the reduction in funds raised on the AIM market from £3.2bn in H1 2018 to £2.1bn in H1 2019 (Source: LSE) and the reduction in the number of IPO's from 28 in H1 2018 to 5 in H1 2019.

During H1 2019, we raised £343 million (H1 2018: £666 million) for our corporate and investment trust clients.

### Nomad and broking

Nomad and broking retainer fees stayed broadly flat at £2.5 million (H1 2018: £2.6 million).

As at 30 June 2019, Cenkos' client base comprised 110 (H1 2018: 116) companies and investment trusts of which 77 (H1 2018: 80) were clients whose shares were admitted to trading on the AIM market and 32 (H1 2018: 36) clients were main market listed.

We remain ranked as one of the leading brokers in London for growth companies, as demonstrated by Adviser Rankings Limited's July 2019 'AIM Adviser Rankings Guide' where we were ranked second Nominated Adviser by total number of AIM clients and third by client market capitalization. We were also ranked first for 'Financial clients' by number of clients and second for 'Consumer services clients' and 'Oil and Gas clients' by number of clients.

### Research

Research fees and commission decreased by 39% to £0.9 million (H1 2018: £1.5 million) as a result of a general squeeze on commission rates over the past few years and a reduction in 'buy-side' research budgets since the introduction of MiFID II in 2018.

### Execution – net trading gains

Execution gains decreased by 56% to £0.9 million (H1 2018: £2.1 million) largely due to a fall in the market value of shares held during H1 2019.

### Administrative expenses

Administrative expenses decreased by £6.8 million to £10.9 million in H1 2019 (H1 2018: £17.7 million) of which £6.4 million relates to the fall in staff costs. In addition, reductions in staff numbers across the business, combined with the falling away of certain one off costs related to the period while awaiting FCA approval of a new Chief Executive, is expected to lead to an annualized saving of over £2.0m going forward.

	Six months ended 30 June 2019 £ 000's	Six months ended 30 June 2018 £ 000's
Administrative expenses		
Staff costs	6,537	12,982
Other administrative expenses	4,339	4,692
	10,876	17,674

Other administrative expenses decreased by £0.4 million to £4.3 million in H1 2019 (H1 2018: £4.7 million). This reduction related mainly to the reversal of a provision for expected credit losses received after the period end and the reversal of the dilapidations provisions associated with the leases for Cenkos' London office. The Company has opted to stay at Tokenhouse Yard and in August 2019 signed new 10 year leases fixing the rental cost for the next five years at slightly below current levels.

### Loss and Earnings per share

A loss before tax on continuing operations of £0.2 million was generated during H1 2019 (H1 2018: profit of £0.5 million). Our basic earnings per share ("EPS") was -0.6p (H1 2018: 0.6p).

## Chief Executive's statement

### Financial position

The condensed consolidated statement of financial position shows net assets of £26.0 million at 30 June 2019, flat with the position last year (2018: £26.3 million). The increase in non-current assets related mainly to the initial recognition under IFRS16 of a right-to-use asset relating to the Company's leases. The reduction in net trading investments resulted from the sale of shares received in lieu of fees and a fall in market prices around the period end. The movements in trade and other receivables, trade and other payables and cash reflected the settlement of share trades and the payment of discretionary performance-related awards accrued at the end of 2018.

In addition to the movements in working capital described above, the decrease in cash was also impacted by the payment of the 2018 final dividend of 2.5p and the acquisition of own shares by the Cenkos Securities plc Employee Benefit Trust ('EBT').

### Net assets summary

	30 June 2019 £ 000's	30 June 2018 £ 000's
Non-current assets	1,538	1,191
FVOCI financial assets	534	164
Other current financial assets	10,168	10,334
Other current financial liabilities	(4,157)	(3,451)
Net trading investments	6,545	7,047
Trade and other receivables	28,592	40,039
Trade and other payables – current & non-current	(25,381)	(43,658)
Cash and cash equivalents	14,660	21,722
	25,954	26,341

### Dividend and capital

Cenkos' dividend policy, as stated in the 2018 Annual Report, is to use earnings and cash flow to underpin shareholder returns through a combination of dividend payments and share buy-backs into treasury. Our goal is to pay a stable ordinary dividend, reinvest in the firm and return excess cash to shareholders subject to capital and liquidity requirements and the prevailing market conditions and outlook. As at 30 June 2019, Cenkos had a capital resources surplus of £15.9 million (30 June 2018: £12.0 million) above the Pillar 1 regulatory capital requirement.

The Board proposes an interim dividend of 2.0p per share. The payment of this interim dividend will trigger payments to staff under the Compensatory Award Plan ('CAP') of £0.03 million in H2 2019 (H2 2018: £0.2 million). The dividend will be paid on 5 November 2019 to all shareholders on the register at 3 October 2019.

Since our flotation on AIM in October 2006, we have paid out 135p in dividends (prior to the 2.0p proposed interim dividend for 2019) and bought back 19.5 million shares at a cost of £25.4 million for cancellation, thereby increasing the Group's prospective earnings per share. We have, therefore, returned £113.0 million of cash to shareholders, equivalent to 174.3p per share (before 2019's interim dividend).

During the period to 30 June 2019, there has been no change to the principal risks faced by the Group. For further information relating to the principal risks faced by the Group and how it mitigates and manages this exposure please refer to the Strategic Report in the 2018 Annual Report.

### Outlook

As a result of the weak first half, revenue for the full year maybe below that recorded in 2018, however the second half has started well with a number of transactions completed including an IPO. This means Cenkos has completed two of only seven IPO's whose shares were admitted to trading on the AIM market in the period to August 2019, which demonstrates that Cenkos remains the leading AIM broker, raising money even in very difficult market conditions. The pipeline for the remainder of the year and for 2020 is encouraging. We continue to evolve our business to adapt to market changes and remain at the forefront in providing capital and solutions for growth companies.

### Responsibility statement

We confirm that to the best of our knowledge:

- The condensed set of financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of Cenkos Securities plc and the undertakings included in the consolidation taken as a whole as at 30 June 2019; and
- The interim management report includes a fair review of the development and performance of the business and the position of Cenkos Securities plc and the undertakings included in the consolidation taken as a whole together with a description of the principal risks and uncertainties that the Group faces.

### Forward-looking statements

These financial statements contain forward-looking statements with respect to the financial condition, results, operations and businesses of Cenkos Securities plc. Although the Group believes that the expectations reflected in these forward-looking statements are reasonable, we can give no assurance that these expectations will prove to have been correct. Such statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by forward-looking statements and forecasts. Forward-looking statements and forecasts are based on the Directors' current view and information known to them at the date of this statement. The Directors do not make any undertaking to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

### Jim Durkin

Chief Executive Officer  
17 September 2019

## Condensed consolidated income statement

for the six months ended 30 June 2019

	Notes	Unaudited Six months ended 30 June 2019 £ 000's	Unaudited Six months ended 30 June 2018 £ 000's	Audited Year ended 31 December 2018 £ 000's
<b>Continuing operations</b>				
Revenue	2	10,625	18,100	44,953
Administrative expenses		(10,876)	(17,674)	(41,902)
<b>Operating (loss)/profit</b>		(251)	426	3,051
Investment income – interest income		65	38	103
Finance costs		(10)	–	–
<b>(Loss)/profit before tax from continuing operations</b>		(196)	464	3,154
Tax	3	(5)	(123)	(805)
<b>(Loss)/profit after tax</b>		(201)	341	2,349
Attributable to:				
Equity holders of Cenkos Securities plc		(201)	341	2,349
Basic earnings per share	5	(0.6)p	0.6p	4.2p
Diluted earnings per share	5	n/a	0.6p	4.2p

## Condensed consolidated statement of comprehensive income

for the six months ended 30 June 2019

	Unaudited Six months ended 30 June 2019 £ 000's	Unaudited Six months ended 30 June 2018 £ 000's	Audited Year ended 31 December 2018 £ 000's
<b>(Loss)/profit</b>	<b>(201)</b>	341	2,349
<b>Amounts that will not be recycled to the income statement in future periods</b>			
Gain/(loss) on FVOCI financial asset	14	(65)	(180)
Tax on FVOCI financial asset	(3)	7	29
<b>Other comprehensive gains/(losses)</b>	<b>11</b>	(58)	(151)
<b>Total comprehensive (expense)/income</b>	<b>(190)</b>	283	2,198
Attributable to:			
Equity holders of Cenkos Securities plc	(190)	283	2,198

# Condensed consolidated statement of financial position

as at 30 June 2019

	Notes	Unaudited 30 June 2019 £ 000's	Unaudited 30 June 2018 £ 000's	Audited 31 December 2018 £ 000's
<b>Non-current assets</b>				
Property, plant and equipment	6	441	569	558
Right-of-use assets	7	502	–	–
Intangible asset		83	–	100
Deferred tax asset	12	512	622	520
		1,538	1,191	1,178
<b>Current assets</b>				
Trade and other receivables	8	28,592	40,039	18,831
FVOCI financial assets		534	164	220
Other current financial assets	9	10,168	10,334	12,648
Cash and cash equivalents	10	14,660	21,722	33,635
		53,954	72,259	65,334
<b>Total assets</b>		<b>55,492</b>	<b>73,450</b>	<b>66,512</b>
<b>Current liabilities</b>				
Trade and other payables	11	(25,210)	(43,582)	(32,640)
Other current financial liabilities	9	(4,157)	(3,451)	(6,018)
		(29,367)	(47,033)	(38,658)
<b>Net current assets</b>		<b>24,587</b>	<b>25,226</b>	<b>26,676</b>
<b>Non-current liabilities</b>				
Trade and other payables	11	(171)	(76)	(263)
<b>Total liabilities</b>		<b>(29,538)</b>	<b>(47,109)</b>	<b>(38,921)</b>
<b>Net assets</b>		<b>25,954</b>	<b>26,341</b>	<b>27,591</b>
<b>Equity</b>				
Share capital	13	567	567	567
Share premium		3,331	3,331	3,331
Capital redemption reserve		195	195	195
Own shares	14	(5,004)	(5,260)	(5,663)
FVOCI reserve		(82)	–	(93)
Retained earnings		26,947	27,508	29,254
<b>Total equity</b>		<b>25,954</b>	<b>26,341</b>	<b>27,591</b>



# Condensed consolidated cash flow statement

for the six months ended 30 June 2019

	Notes	Unaudited Six months ended 30 June 2019 £ 000's	Unaudited Six months ended 30 June 2018 £ 000's	Audited Year ended 31 December 2018 £ 000's
<b>(Loss)/profit</b>		(201)	341	2,349
Adjustments for:				
Net finance income		(55)	(38)	(103)
Tax expense		5	123	805
Depreciation of property, plant and equipment		498	118	247
Shares and options received in lieu of fees		(374)	(378)	(1,970)
Share-based payment expense		736	741	1,852
<b>Operating cash flows before movements in working capital</b>		609	907	3,180
Decrease in net trading investments and FVOCI financial assets		692	790	2,492
(Increase)/decrease in trade and other receivables		(9,925)	(19,234)	1,981
(Decrease)/increase in trade and other payables		(7,783)	8,173	(3,029)
<b>Net cash flow from operating activities before interest and tax paid</b>		(16,407)	(9,364)	4,624
Tax paid		(200)	(1,301)	(1,664)
<b>Net cash flow from operating activities</b>		(16,607)	(10,665)	2,960
<b>Investing activities</b>				
Interest received		49	31	90
Purchase of property, plant and equipment	7	(7)	(162)	(280)
Acquisition of Nomad business		–	–	(100)
<b>Net cash inflow/(outflow) from investing activities</b>		42	(131)	(290)
<b>Financing activities</b>				
Payment of lease liabilities		(357)	–	–
Dividends paid		(1,398)	(2,484)	(3,573)
Proceeds from sale of own shares to employee share plans		23	41	62
Acquisition of own shares		(678)	(1,868)	(2,353)
<b>Net cash used in financing activities</b>		(2,410)	(4,311)	(5,864)
<b>Net decrease in cash and cash equivalents</b>		(18,975)	(15,107)	(3,194)
<b>Cash and cash equivalents at beginning of period</b>		33,635	36,829	36,829
<b>Cash and cash equivalents at end of period</b>	10	14,660	21,722	33,635



## Condensed consolidated statement of changes in equity

for the six months ended 30 June 2019

	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
<b>Balance at 1 January 2018</b>	567	3,331	195	(3,845)	58	29,442	29,748
Profit	–	–	–	–	–	341	341
Loss on FVOCI financial assets net of tax	–	–	–	–	(29)	–	(29)
Derecognition of FVOCI financial asset	–	–	–	–	(29)	–	(29)
<b>Total comprehensive income</b>	–	–	–	–	(58)	341	283
Transfer of shares to employee share plans	–	–	–	41	–	–	41
Transfer of shares from share plans to employees	–	–	–	412	–	(412)	–
Acquisition of own shares by EBT	–	–	–	(1,868)	–	–	(1,868)
Credit to equity for equity-settled share-based payments	–	–	–	–	–	621	621
Dividends paid	–	–	–	–	–	(2,484)	(2,484)
<b>Balance at 30 June 2018</b>	567	3,331	195	(5,260)	–	27,508	26,341
Profit	–	–	–	–	–	2,008	2,008
Loss on FVOCI financial assets net of tax	–	–	–	–	(93)	–	(93)
Derecognition of FVOCI financial asset	–	–	–	–	–	23	23
<b>Total comprehensive income</b>	–	–	–	–	(93)	2,031	1,938
Transfer of shares from share plans to employees	–	–	–	82	–	(61)	21
Acquisition of own shares by EBT	–	–	–	(485)	–	–	(485)
Credit to equity for equity-settled share-based payments	–	–	–	–	–	865	865
Dividends paid	–	–	–	–	–	(1,089)	(1,089)
<b>Balance at 31 December 2018</b>	567	3,331	195	(5,663)	(93)	29,254	27,591
<b>Balance at 1 January 2019</b>	567	3,331	195	(5,663)	(93)	29,254	27,591
Loss	–	–	–	–	–	(201)	(201)
Gain on FVOCI financial assets net of tax	–	–	–	–	11	–	11
<b>Total comprehensive income</b>	–	–	–	–	11	(201)	(190)
Transfer of shares to employee share plans	–	–	–	36	–	(13)	23
Transfer of shares from share plans to employees	–	–	–	1,301	–	(1,301)	–
Acquisition of own shares by EBT	–	–	–	(678)	–	–	(678)
Credit to equity for equity-settled share-based payments	–	–	–	–	–	606	606
Dividends paid	–	–	–	–	–	(1,398)	(1,398)
<b>Balance at 30 June 2019</b>	567	3,331	195	(5,004)	(82)	26,947	25,954

# Notes to the condensed consolidated financial statements

## 1. Accounting policies

### General information

The interim condensed consolidated financial statements of Cenkos Securities plc (the "Company" or "Cenkos") together with its subsidiaries (the "Group") for the six months ended 30 June 2019 are unaudited and were approved by the Board of Directors for issue on 17 September 2019.

The Company is incorporated in England under the Companies Act 2006 (company registration No. 05210733) and its shares are publicly traded. The Group'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.

The key sources of estimation uncertainty and areas of critical accounting judgement that could have a significant effect on the carrying amounts of assets and liabilities are set out below:

### 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 provisions, valuation of derivative financial assets and valuation of unlisted securities. These critical accounting policies and judgements are described on page 60 of the Cenkos Securities plc's 2018 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 period presentation.

### Basis of accounting

The interim condensed consolidated financial statements for the six months ended 30 June 2019 have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2018.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2018 except for the adoption of new standards in the period as mentioned below.

The financial information contained in these interim condensed consolidated financial statements does not constitute the Group'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 2018 does not constitute the statutory accounts for that financial period. Those accounts have been reported on by the Company's auditors 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 2018.

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.

### Adoption of new and revised standards

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018, except for the adoption of new standards effective as of 1 January 2019. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. For the first time the Group applies IFRS 16 Leases. As required by IAS 34, the nature and effect of the impact of this new standard is disclosed below. Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the interim condensed consolidated financial statements of the Group.

IFRS 16 'Leases' is effective for the year ending 31 December 2019 and will require all leases to be recognised under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

## 1. Accounting policies (continued)

### Transition to IFRS 16

The Company has adopted IFRS 16 on a cumulative catch-up basis and has not applied the standard to prior year comparatives. The lease liability has been measured as the present value of the remaining rental payments under the leases. The right-of-use asset has been measured at an amount equal to the lease liability and adjusted for lease prepayments at 31 December 2018. The net impact on the statement of financial position as at the date of transition is nil. The leases on Cenkos' London office at Tokenhouse Yard contained a break option on 31 January 2020. Consequently, at 30 June 2019 under the old leases, the Company

had only two more payments to make, the last of which was due to be made on 25 December 2019. After the period end, the Company signed new 10 year leases effective from 8 August 2019. The lease on Cenkos' Edinburgh office expires on 19 March 2022. As at 30 June 2019, the Company was obliged to make a further 10 payments under the lease on the usual quarter days. Cenkos has applied IFRS 16 from 1 January 2019 and recognised a lease liability of £0.68 million and a right-of-use asset of £0.86 million, including a prepayment of £0.18 million. This lease liability has been calculated by discounting the quarterly lease payments over the remaining term of the lease using a discount rate which represents the incremental cost of borrowing.

## 2. Business and geographical segments

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

### Major clients

In the six months ended 30 June 2019, two clients each contributed more than 10% of Cenkos' total revenue. The amount was £2.4 million (six months ended 30 June 2018: £2.47 million; year ended 31 December 2018: no one client contributed more than 10% of Cenkos' total revenue).

Revenue streams	Six months ended 30 June 2019 £ 000's	Six months ended 30 June 2018 £ 000's	Year ended 31 December 2018 £ 000's
Corporate finance	6,245	11,925	32,734
Nomad and broking	2,521	2,552	5,070
Research	938	1,538	2,754
<b>Total fee and commission income</b>	<b>9,704</b>	<b>16,015</b>	<b>40,558</b>
Execution – net trading gains	921	2,085	4,395
	<b>10,625</b>	<b>18,100</b>	<b>44,953</b>
<b>Total fee and commission income may be further disaggregated as follows:</b>			
Services transferred at a point in time	6,897	12,905	34,513
Services transferred over a period of time	2,807	3,110	6,045
	<b>9,704</b>	<b>16,015</b>	<b>40,558</b>

## Notes to the condensed consolidated financial statements

### 3. Tax

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

	Six months ended 30 June 2019 £ 000's	Six months ended 30 June 2018 £ 000's	Year ended 31 December 2018 £ 000's
<b>Current tax</b>			
United Kingdom corporation tax at 19% (2018: 19%) based on the profit for the period	—	—	805
<b>Adjustment in respect of prior period</b>			
United Kingdom corporation tax at 19% (2018: 19%)	—	—	(219)
<b>Total current tax</b>	—	—	586
<b>Deferred tax</b>			
Charge on account of temporary differences	5	123	3
Deferred tax prior period adjustment	—	—	216
<b>Total deferred tax (refer to note 12)</b>	5	123	219
<b>Total tax on (loss)/profit on ordinary activities from continuing operations</b>	5	123	805

The tax charge for the period differs from that resulting from applying the standard rate of UK corporation tax of 19% (2018: 19%) to the (loss)/profit before tax for the reasons set out in the following reconciliation:

	Six months ended 30 June 2019 £ 000's	Six months ended 30 June 2018 £ 000's	Year ended 31 December 2018 £ 000's
(Loss)/profit before tax from continuing operations	(196)	464	3,154
	(196)	464	3,154
Tax on (loss)/profit on ordinary activities at the UK corporation tax rate of 19% (2018: 19%)	(38)	89	599
<b>Tax effect of:</b>			
Non-deductible expenses for tax purposes	3	25	78
Fair value movements in relation to the DTA on share-based payments	18	4	109
Deferred tax rate change adjustment	22	5	22
Adjustment in respect of prior period deferred tax	—	—	216
Adjustment in respect of prior period current tax	—	—	(219)
<b>Tax expense for the period</b>	5	123	805

	Six months ended 30 June 2019 £ 000's	Six months ended 30 June 2018 £ 000's	Year ended 31 December 2018 £ 000's
<b>Other Comprehensive Income (OCI)</b>			
Current tax expense arising on FVOCI financial asset	—	—	(29)
Deferred tax expense arising on FVOCI financial asset	3	(7)	—
<b>Total income tax recognised in OCI</b>	3	(7)	(29)
<b>Statement of changes in Equity (SOCIE)</b>			
Current tax charge arising on FVTPL financial asset	—	—	6

## 4. Dividends

	Six months ended 30 June 2019 £ 000's	Six months ended 30 June 2018 £ 000's	Year ended 31 December 2018 £ 000's
<b>Amounts recognised as distributions to equity holders in the period:</b>			
Final dividend for the year ended 31 December 2018 of 2.5p (2017: 4.5p) per share	1,398	2,484	2,484
Interim dividend for the period ended 30 June 2018 of 2.0p (2017: 4.5p) per share	–	–	1,089
	1,398	2,484	3,573

The proposed interim dividend for the period ended 30 June 2019 of 2.0p (30 June 2018: 2.0p) per share was approved by the Board on 17 September 2019 and has not been included as a liability as at 30 June 2019. The dividend will be payable on 5 November 2019 to all shareholders on the register at the close of business of 3 October 2019.

Under the Compensatory Award Plan ("CAP"), as described in the 2018 Annual Report, the payment of a dividend to ordinary shareholders will trigger a cash payment to holders of options under the CAP. The payment of this interim dividend will increase staff costs by £0.03 million in the second half of 2019 (2.0p 2018 interim dividend increased staff costs by £0.2 million in the second half of 2018).

## 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 2019	Six months ended 30 June 2018	Year ended 31 December 2018
<b>From continuing operations</b>			
Basic earnings per share	(0.6)p	0.6p	4.2p
Diluted earnings per share	n/a	0.6p	4.2p

	Six months ended 30 June 2019	Six months ended 30 June 2018	Year ended 31 December 2018
<b>Earnings from continuing operations</b>			
Earnings for the purpose of basic earnings per share being net profit attributable to equity holders of the Parent	(319)	341	2,194
Dividends and shares held in SIP and DBS	117	–	154
Earnings for the purpose of diluted earnings per share being net profit attributable to equity holders of the Parent	(202)	341	2,348

	No.	No.	No.
<b>Number of shares</b>			
Weighted average number of ordinary shares for the purpose of basic earnings per share	51,614,569	54,531,063	51,807,655
Effect of dilutive potential ordinary shares	3,471,944	174,521	2,883,642
Weighted average number of ordinary shares for the purpose of diluted earnings per share	55,086,513	54,705,584	54,691,297

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 2019, the share options issued under the CAP and SAYE scheme were anti-dilutive as the average share price over the period was below the respective strike prices.

## Notes to the condensed consolidated financial statements

### 6. Property, plant & equipment

During the period, the Group purchased approximately £0.01 million (30 June 2018: £0.16 million, 31 December 2018: £0.28 million) of property, plant and equipment. This mostly related to leasehold improvements and the purchase of IT equipment.

### 7. Right-of-use asset

Cenkos has applied IFRS 16 from 1 January 2019 and recognised a right-of-use asset and corresponding lease liability of £0.86 million. This has been 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 as at 30 June 2019 had a carrying value of £0.50 million after charging £0.36 million in amortisation to the income statement.

### 8. Trade and other receivables

	30 June 2019 £ 000's	30 June 2018 £ 000's	31 December 2018 £ 000's
<b>Current assets</b>			
<b>Financial assets</b>			
Market and client receivables	25,896	37,209	16,596
Accrued income	534	425	139
Contract assets	409	408	414
Other receivables	489	537	814
	27,328	38,579	17,963
<b>Non-financial assets</b>			
Prepayments and other assets	1,264	1,460	868
	28,592	40,039	18,831

The Group has recognised expected credit losses amounting to £0.01 million (30 June 2018: £0.21 million; 31 December 2018: £0.22 million) in accordance with the requirements of IFRS9.

The ageing analysis of trade receivables is as follows:

	Total £ 000's	Not past due £ 000's	< 30 days £ 000's	31-60 days £ 000's	Days past due	
					61-90 days £ 000's	> 91 days £ 000's
<b>30 June 2019</b>	28,592	24,269	4,301	12	–	10
<b>30 June 2018</b>	40,039	34,098	5,845	95	–	1
<b>31 December 2017</b>	18,831	17,552	1,276	2	1	–

### 9. Other current financial assets and liabilities

	30 June 2019 £ 000's	30 June 2018 £ 000's	31 December 2018 £ 000's
<b>Financial assets at FVTPL</b>			
Trading investments carried at fair value	9,323	9,880	11,673
Derivative financial assets – share options and warrants	845	454	975
	10,168	10,334	12,648
<b>Financial liabilities at FVTPL</b>			
Contractual obligation to acquire securities	(4,157)	(3,451)	(6,018)

## 10. Cash and cash equivalents

	30 June 2019 £ 000's	30 June 2018 £ 000's	31 December 2018 £ 000's
Cash and cash equivalents	14,660	21,722	33,635

## 11. Trade and other payables

	30 June 2019 £ 000's	30 June 2018 £ 000's	31 December 2018 £ 000's
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Trade creditors	20,777	32,164	10,623
Lease liabilities	261	–	–
Other creditors	536	863	883
	21,574	33,027	11,506
<b>Non-financial liabilities</b>			
Accruals	2,755	7,425	20,118
Cash-settled deferred bonus scheme	283	414	473
Contract liabilities	598	2,716	343
Corporation tax payable	–	–	200
	3,636	10,555	21,134
	25,210	43,582	32,640
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Lease liabilities	71	–	–
<b>Non-financial liabilities</b>			
Cash-settled deferred bonus scheme	100	76	263
	171	76	263



## Notes to the condensed consolidated financial statements

### 12. Deferred tax asset

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 Group 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	Temporary differences Tax losses £ 000's	Total £ 000's
<b>At 31 December 2017</b>	826	(10)	(77)	–	739
Origination and reversal of temporary differences (expense)/credit	(313)	(2)	(88)	280	(123)
Deferred tax credit to OCI	–	–	–	7	7
<b>At 30 June 2018</b>	513	(12)	(165)	287	623
Origination and reversal of temporary differences credit/(expense)	319	37	44	(280)	120
Deferred tax prior year adjustment charge	(216)	–	–	(7)	(223)
<b>At 31 December 2018</b>	616	25	(121)	–	520
Origination and reversal of temporary differences (expense)/credit	(189)	(18)	56	146	(5)
Deferred tax charge to OCI	–	–	–	(3)	(3)
<b>At 30 June 2019</b>	427	7	(65)	143	512

A 19% corporation tax rate came into effect from 1 April 2017. The Finance Bill 2016 reduced the main rate of corporation tax to 17% from 1 April 2020. These changes were substantively enacted on 6 September 2016. This will reduce the Group's future current tax charge accordingly.

The deferred tax balances at 30 June 2019 have been stated at 19% and 17% as these are the expected prevailing rates when the individual temporary differences are expected to reverse.

The Group 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 £51,384 at 17%).

### 13. Share capital

The issued share capital as at 30 June 2019 amounted to £566,948 (30 June 2018: £566,948, 31 December 2018: £566,948).

#### 1 January 2018 to 31 December 2018

There were no shares issued or cancelled during the year.

#### 1 January 2019 to 30 June 2019

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 in the EBT have been excluded from the weighted average number of shares calculation up to this date.

	Six months ended 30 June 2019		Six months ended 30 June 2018		Year ended 31 December 2018	
	Number of shares	£ 000's	Number of shares	£ 000's	Number of shares	£ 000's
<b>Shares held by EBT</b>						
At 1 January	777,474	710	2,127,584	2,177	2,127,584	2,177
Acquired during the period	1,014,812	678	349,592	387	935,992	871
Transferred from Treasury during the period	1,384,748	942	–	–	–	–
Transferred to the SIP						
Free shares	–	–	(332,484)	(340)	(332,484)	(340)
Matching shares	–	–	(337,504)	(345)	(337,504)	(345)
Dividend reinvestment	(39,283)	(36)	(39,794)	(41)	(39,794)	(41)
Transferred to the Deferred Bonus Scheme EBT	(2,125,005)	(1,617)	(1,576,320)	(1,612)	(1,576,320)	(1,612)
At the period end	1,012,746	677	191,074	226	777,474	710
	Number of shares	£ 000's	Number of shares	£ 000's	Number of shares	£ 000's
<b>Shares held by Deferred Bonus Scheme EBT</b>						
At 1 January	2,037,632	2,085	773,056	792	773,056	792
Transferred in from the EBT	2,125,005	1,617	1,576,320	1,612	1,576,320	1,612
Vesting shares transferred to employees	(796,030)	(726)	(311,744)	(318)	(311,744)	(319)
At the period end	3,366,607	2,976	2,037,632	2,086	2,037,632	2,085
	Number of shares	£ 000's	Number of shares	£ 000's	Number of shares	£ 000's
<b>Free and Matching shares held by the SIP</b>						
At 1 January	1,357,527	1,386	858,374	876	858,374	876
Transferred from the EBT						
Free shares	–	–	332,484	340	332,484	340
Matching shares	–	–	337,494	345	337,504	345
Shares transferred to employees	(38,532)	(35)	(91,653)	(94)	(170,835)	(175)
At the period end	1,318,995	1,351	1,436,699	1,467	1,357,527	1,386
	Number of shares	£ 000's	Number of shares	£ 000's	Number of shares	£ 000's
<b>Shares held in Treasury</b>						
At 1 January	1,384,748	1,482	–	–	–	–
Acquired during the period	–	–	1,384,748	1,481	1,384,748	1,482
Transferred to EBT during the period	(1,384,748)	(942)	–	–	–	–
Loss on shares transferred to EBT recognised in equity	–	(540)	–	–	–	–
At the period end	–	–	1,384,748	1,481	1,384,748	1,482
At the period end: Total own shares	5,698,348	5,004	5,050,153	5,260	5,557,381	5,663

## Notes to the condensed consolidated financial statements

### 15. Financial instruments

#### Risk management objectives

For further information relating to the principal risks faced by the Group and how it mitigates and manages this exposure please refer to the Strategic Report in the 2018 Annual Report.

#### Externally imposed capital requirement

The Group and 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 Group. The Group and 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 2019, the Company had a solvency ratio of 248% (30 June 2018: 190%, 31 December 2018: 183%).

#### 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 Group's financial statements for the year ended 31 December 2018.

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 Group's financial assets and liabilities please refer to notes 8, 9 and 11.

#### Fair value hierarchy

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

Level 1 — Quoted market prices

Level 2 — Valuation techniques (market observable)

Level 3 — Valuation techniques (non-market observable)

As at 30 June 2019	Level 1 £ 000's	Level 2 £ 000's	Level 3 £ 000's	Total £ 000's
<b>FVOCI financial assets</b>	—	—	534	534
<b>Financial assets at FVTPL</b>				
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
<b>Financial liabilities at FVTPL</b>				
Contractual obligation to acquire securities	4,157	—	—	4,157

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

As at 30 June 2018	Level 1 £ 000's	Level 2 £ 000's	Level 3 £ 000's	Total £ 000's
<b>FVOCI financial assets</b>	—	—	164	164
<b>Financial assets at FVTPL</b>				
Market and client receivables	37,209	—	—	37,209
Derivative financial assets – share options and warrants	—	—	454	454
Non-derivative financial assets held for trading	9,880	—	—	9,880
	47,089	—	454	47,543
<b>Financial liabilities at FVTPL</b>				
Contractual obligation to acquire securities	3,451	—	—	3,451

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

## 15. Financial instruments (continued)

As at 31 December 2018	Level 1 £ 000's	Level 2 £ 000's	Level 3 £ 000's	Total £ 000's
<b>FVOCI financial assets</b>	–	–	220	220
<b>Financial assets at FVTPL</b>				
Market and client receivables	16,595	–	–	16,595
Derivative financial assets – share options and warrants	–	–	975	975
Non-derivative financial assets held for trading	11,673	–	–	11,673
	28,268	–	975	29,243
<b>Financial liabilities at FVTPL</b>				
Contractual obligation to acquire securities	6,018	–	–	6,018

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group 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.

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

	Unlisted securities £ 000's	Share options and warrants £ 000's	Total £ 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 movement recognised in income statement	–	(139)	(139)
Fair value gain through OCI	14	–	14
Closing balance 30 June 2019	534	845	1,379

	Unlisted securities £ 000's	Share options and warrants £ 000's	Total £ 000's
Opening balance 1 January 2018	250	335	585
Impairment recognised in income statement	–	(33)	(33)
Unlisted securities, share options and warrants received in lieu of fees	–	152	152
Fair value loss	(57)	–	(57)
Reclassification from FVOCI to FVTPL	(29)	–	(29)
Closing balance 30 June 2018	164	454	618
Change in fair value recognised in comprehensive income	(94)	–	(94)
Unlisted securities, share options and warrants received in lieu of fees	150	514	664
Exercise of warrants	–	(7)	(7)
Fair value loss	–	14	14
Closing balance 31 December 2018	220	975	1,195

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 have been further changes in fair value which have 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.

## Notes to the condensed consolidated financial statements

### 15. Financial instruments (continued)

#### 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 10% increase/decrease in the volatility measure used as an input in the valuation of the share options and warrants shows that the impact of such a movement would be an increase/decrease of £0.18 million respectively of the loss shown in the income statement.

A sensitivity analysis based on a 10% increase/decrease in the share prices used as an input in the valuation of the unlisted securities shows that the impact of such a movement would be an increase/decrease of £0.05 million respectively of the statement of comprehensive income.

#### 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 "not observable". For these instruments, the fair value derived is more judgemental. "Not 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 Group anticipates would be used by a third party market participant to establish fair value.

	Fair value at 30/06/19 £ 000's	Valuation Technique	Unobservable input	Range
Share options and warrants	845	Monte Carlo simulation	Volatility	32-88%
Unlisted securities	534	IPEV valuation guidelines	Share price	£70,000-464,000
	1,379			

## 16. Related party transactions

Transactions with related parties are made at arm's length. Outstanding balances at the period-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. Transactions or balances between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation. The Board includes all 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 2019 £ 000's	30 June 2018 £ 000's	31 December 2018 £ 000's
<b>Aggregate emoluments</b>	<b>704</b>	1,311	3,590

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 Group also contributes 3% (2018: 2%) of relevant earnings. During the period to 30 June 2019, no payments were made into this scheme in respect of the Directors.

	30 June 2019 No.	30 June 2018 No.	31 December 2018 No.
<b>Related party interests in ordinary shares of Cenkos Securities plc</b>			
Number of shares	6,657,567	6,868,887	6,795,337
Percentage interest	12%	12%	12%

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

	Number of shares held subject to forfeiture conditions			Number of shares held		
	30 June 2019 No.	30 June 2018 No.	31 December 2018 No.	30 June 2019 No.	30 June 2018 No.	31 December 2018 No.
Related party interest in SIP	19,780	50,500	36,788	56,692	61,464	63,234

	Grant date	Earliest exercise date	Latest exercise date	30 June 2019 No.	30 June 2018 No.	31 December 2018 No.
<b>Related party interests in share options</b>						
SAYE Scheme (Exercise price – £0.85)	14/05/2018	01/07/2021	31/12/2021	42,188	63,282	63,282

## 17. Events after the reporting period

There were no material events to report on that occurred between 30 June 2019 and the date at which the Directors' signed the Interim Report.

## 18. Contingent liabilities

From time to time the Group may become subject to various litigation, regulatory or employment related claims. The Directors have considered any current matters pending against the Group and, based on the evidence, the facts and circumstances and insurance cover available, concluded that the outcome of these will be resolved with no material impact on the Group'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 2019 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated cash flow statement, the condensed consolidated statement of changes in equity and the related explanatory notes to the condensed consolidated financial statements 1 – 18. 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.

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

## Directors’ Responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with International Accounting Standards 34, “Interim Financial Reporting,” as adopted by the European Union.

As disclosed in note 1, the annual financial statements of the company are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standards 34, “Interim Financial Reporting,” as adopted by the European Union.

## 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 Auditing Practices Board 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 2019 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union.

## Ernst & Young LLP

London

17 September 2019



## Information for shareholders

### Directors

Andrew Boorman	(Non-executive Director)
Jim Durkin	(Chief Executive Officer)
Jeff Hewitt	(Non-executive Acting Chairman)
Paul Hodges	(Executive Director)
Jeremy Miller	(Non-executive Director)
Joe Nally	(Executive Director)

### Company Secretary

Stephen Doherty

### Anticipated Financial Calendar

March	Year-end results announced
May	Annual General Meeting and final dividend paid
September	Half-year results announced
November	Interim dividend paid

### Company Registration Number and Country of Incorporation

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### Nominated Adviser

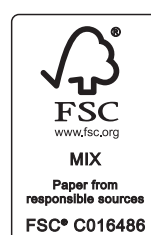
Spark Advisory Partners Limited  
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