Tuesday 14 September, 2021

Fiske PLC

Final Results, Annual Report and Notice of AGM

RNS Number : 7061L
Fiske PLC
14 September 2021

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FISKE PLC

("Fiske" or the "Company" or the "Group")

Final Results, Posting of Annual Report and Notice of AGM

Fiske (AIM:FKE) is pleased to announce its final audited financial results for the year ended 31 May 2021.

Highlights

	2021	2020	
	£'000	£'000	Reported
Total Revenue	6,098	5,383	+13%
Profit / (loss) on ordinary activities before taxation	610	(127)	
Profit / (loss) per ordinary share	4.8p	(1.1p)	

James Harrison, CEO, commenting on the results said:

"We are pleased to report another good year of organic growth with revenues up 13% and a solid return to profit in the second half of the year. To have delivered this result despite the impact of the restrictions imposed due to the Covid-19 pandemic is testament to the resilience of our systems, our close relationships with our clients and the tireless efforts of our staff."

In light of the recent lifting of most restrictions relating to Covid-19, the forthcoming AGM, which is to be held on Friday 22 October 2021 at 12.30pm, will be run as a physical meeting at our offices in Salisbury House.

Copies of the 2021 Annual Report and Accounts, including the Notice of AGM and Proxy Voting form will be posted to shareholders shortly and in accordance with rule 26 of the AIM Rules for Companies, this information is also available under the Investor Relations section of the Company's website, www.fiskeplc.com .

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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Samantha Harrison / Harrison Clarke

Chairman's Statement

Trading

After the Covid-19 lock-down induced fall in market values in March 2020, a hesitant recovery promptly began but only really took hold in October 2020. Overall, portfolio values took until the latter part of our trading year to recover past their late 2019 values which was an impediment to our management fee income. Nevertheless, both commissions on trading and management fees each increased, even after a strong performance last year. We continue to attract new clients and to migrate clients from advisory to discretionary services.

Overall, full year revenues rose by 13% to £6.1m (2020: £5.4m).

Costs

Over the last five years we have invested heavily: in new back-office systems, in the acquisition of Fieldings, in strengthening operational capacity and in compliance. We have also engaged external resources where appropriate to minimise long term increases in staff levels, and such consultancy pushed up the short-term operating expenses. Whilst we have every intention of continuing to invest in growth, we can say that we have got past the surge in such costs.

Operating expenses level pegged at £5.7m in the year to 31 May 2021 (2020: £5.7m).

Outturn

After reporting a pre-tax loss of £27,000 in the first half-year, we have made a profit of £637,000 in the second half which has resulted in a full year pre-tax profit of £610,000 (2020: loss £127,000). The second half of the year benefitted from increased commission revenues and increases in management fees as markets rose.

The cash flow arising from this is greater by some £160,000 that is set aside annually for amortisation or impairment of goodwill or customer bases arising from past acquisitions.

Ocean UK Equity

In May 2021 our unit trust, Ocean UK Equity, passed its third anniversary. With a total return of 24.6%, being 7.6% annualised, the fund is in the top quartile over those three years. The fund has outperformed its benchmark (CBOE UK All Companies) and sector (IA UK All Companies) by a significant margin. As at the end of May 2021 the fund was valued at £9.8m (2020: £7.6m).

Euroclear

During the year, we took advantage of an unsolicited offer to acquire some of our shares in Euroclear by releasing 28% of our holding. Euroclear has been a very profitable investment for Fiske: we have now realised a profit of £1.2m and we still retain £3.6m worth of Euroclear shares. The realisation of this profit has further strengthened our balance sheet and capital adequacy position, providing an extra £1.4m of cash.

Euroclear's business income margin increased from 28% in 2019 to 33% in the year to December 2020 as a result of positive operating leverage achieved during the year, whilst their operating margin decreased from 43% to 40% in 2020. Net earnings per share increased to €137.2 in 2020 compared to €136.9 in 2019.

Taking into account recent transaction prices in Euroclear shares, we have marked the carrying value of our investment to €1,600 per share being £3.6m in total. This represents a significant store of value on our balance sheet and an asset that continues to pay dividends.

Net assets

Shareholder's funds amount to some £8.1m and within this we now hold some £3.5m of cash.

Share capital

In November 2020, the company made a deferred consideration payment due to the vendors of Fieldings Investment Management, of £198,000. Part of this was settled by the allotment of 61,069 Ordinary Shares. This was the third and final such payment and thus there will be no further such share issues to the vendors of Fieldings. The Company's share capital now comprises 11,754,859 ordinary shares.

Dividend

The Board has resolved not to pay a dividend for the year to 31 May 2021 (2020: £nil).

Impact of Covid-19

Last year the transition to remote working was swiftly executed and working with lockdown and other restrictions has become normal. Indeed, if anything, we enjoyed the benefit of increased productivity in certain areas of the business as a result of working-from-home. For those members of staff with young families, working-from-home has been a challenge and the lifting of restrictions and a move to mixed office and home-based working will be welcomed.

Staff

We would like to thank all members of staff for their unswerving commitment and perseverance during the last year as the pandemic ran its course. As a Company we have worked very effectively in both an entirely remote manner as well as adapting quickly to a hybrid model when we were able to access our offices again.

Strategy

We continue to implement our ongoing strategy to welcome new investment managers with established client relationships to increase our assets under management and advice. We believe that with our traditional values, modern systems and up to date regulatory framework we provide an attractive place to work for aspiring, independently minded private client investment managers.

As part of our strategy, we are redeveloping our website this year to show case our services more clearly whilst also continuing our focus on migrating clients to our fee-paying services.

Markets

Global equity markets advanced strongly during the year led higher by the U.S with the technology heavy NASDAQ up 45%. Improving macroeconomic conditions, continued rollout of the vaccine program, a strong corporate earnings recovery, synchronised global growth expectations, continued monetary and fiscal support and pent-up demand/build up in excess savings by consumers are all factors which helped to drive markets higher. Sterling was also strong against the US Dollar moving from a depressed post Brexit level of US$1.23 to US$1.42.

Many investors and strategists are now asking how far equity markets can run on given their impressive gains from the post pandemic lows recorded in March 2020. Caution might be warranted given that there are plenty of uncertainties to ponder; policymakers could scale back fiscal and monetary support, taxes will have to rise at some stage to help pay for the extraordinary level of government spending during the pandemic and investors remain fixated on whether the recent uptick in inflation is transitory or not. On the latter, if inflation becomes more entrenched, Central Banks may have to raise interest rates sooner and faster than they are currently forecasting. Despite these uncertainties, markets remain incredibly sanguine with the volatility index, the 'Vix', continuing to trend down.

UK equity markets were encouraged by signs of a rebound in the UK economy with the FTSE 100 closing above 7,000 in April for the first time in 14 months and the FTSE 250 hitting all-time highs. Macroeconomic data being released was exceeding expectations and this led the Organisation for Economic Co-Operation and Development (OECD) to raise its GDP growth forecast for the UK to 7.2% in 2021, up from its March projection of 5.1%. Some of this optimism was overshadowed by rising inflation and an increase in covid cases linked to the variant first detected in India. This led the government to delay the reopening of the economy on June 21. UK markets have been stuck in a sideways trading range in May and June and we have seen some rotation back into more 'growth' orientated and 'quality' stocks away from 'early cycle' and 'recovery' or 'value' ones.

The UK market is trading at a discount to its international peers and UK plc continues to attract interest from private equity firms. Morrisons, the food retailer, is the latest acquisition target with a £6.3 billion bid from a Fortress led consortium. The UK market still offers value relative to bonds, from a yield perspective, with the FTSE 100 offering a prospective dividend yield of c. 3.9% versus c. 0.7% on offer from UK 10-year gilts. We have recently witnessed a flattening in the UK gilt yield curve as yields at the long end of the curve have gently retreated.

Internationally, the first half of calendar 2021 has seen growth rates accelerating as corporate sales and profits recover and economies open up from lockdown and are combined with Central Bank stimulus in nearly all markets. But by the latter part of the year Central Banks will slow their money creation and begin to tighten. Announcements to this effect have already been given by the European Central Bank and by the Bank of Canada. It seems likely the US Federal Reserve will soon follow suit. Only Japan continues with its programme of buying equities using exchange traded funds. If inflation rises faster than expected or fails to fall back from expected levels, a rise in interest rates should follow. Similarly, in emerging markets the tightening is already more advanced with China and eastern Europe raising rates, and with South American nations and Turkey now recording very high inflation rates.

In summary, as world economies rebound from the very worst effects of Covid, a combination of supply chain disruption, shortages of materials and labour together with a strong recovery in demand is causing prices to rise. The spectre of inflation is naturally of concern to investors. It is too early to tell if this will prove to be transitory, as most Central Banks are guiding us, or more long-lasting. Whilst US, UK and European indices are gradually pushing to new post Covid highs the main laggard is China which has witnessed sharp falls following the crack down by the regulatory authorities. China's speculative market remains a serious concern with scope to further unsettle global markets.

Outlook

We have had a good start to our new financial year. Whilst the first few months have seen trading volumes soften a little, in line with more traditional summer levels, portfolio values are rising with markets which will enhance our fee revenues.

We look forward to another positive year although with a degree of caution due to the likely impact of tightening monetary policy and the probable volatility that may ensue in global markets.

AGM

Shareholders' views are important, and the Board encourages shareholders to submit their votes via the CREST system. Shareholders may also submit questions in advance of the AGM to the Company Secretary via email to info@fiskeplc.com or by post to the Company Secretary at the address set out on page 53 of this report.

In light of the recent lifting of most restrictions relating to Covid-19, the forthcoming AGM, which is to be held on Friday 22 October 2021 at 12.30pm, will be run as a physical meeting at our offices in Salisbury House.

Consolidated Statement of Total Comprehensive Income

For the year ended 31 May 2021

	Notes	2021	2020
		£'000	£'000
Continuing Operations			
Fee and commission income		6,018	5,347
Other income		80	36
Total Revenue	2	6,098	5,383
Operating expenses		(5,716)	(5,743)
Operating profit / (loss)		382	(360)
Investment revenue		237	143
Finance income		-	148
Finance costs		(9)	(58)
Profit / (loss) on ordinary activities before taxation		610	(127)

Taxation	3	(43)	-
Profit / (loss) on ordinary activities after taxation		567	(127)
Other comprehensive income			
Items that may subsequently be reclassified to profit or loss			
Movement in unrealised appreciation of investments		75	(793)
Deferred tax on movement in unrealised appreciation of investments		(12)	187
Net other comprehensive income		(63)	(606)
Total comprehensive income /(loss)attributable to equity shareholders		630	(733)
Loss per ordinary share			
Basic	4	4.8p	(1.1p)
Diluted	4	4.8p	(1.1p)

All results are from continuing operations.

Consolidated Statement of Financial Position

31 May 2021

	Notes	As at 31 May 2021 £'000	As at 31 May 2020 £'000

Non-current Assets			
Intangible assets	5	1,129	1,289
Other intangible assets	6	32	65
Right-of-use assets	7	-	101
Property, plant and equipment	8	24	53
Investments held at Fair Value Through Other Comprehensive Income	9	3,604	4,962
Total non-current assets		4,789	6,470
Current Assets			
Trade and other receivables	10	2,514	2,398
Cash and cash equivalents		3,498	2,239
Total current assets		6,012	4,637
Current liabilities			
Trade and other payables	11	2,049	2,924
Short-term lease liabilities	12	-	124
Current tax liabilities		43	-
Total current liabilities		2,092	3,048
Net current assets		3,920	1,589
Non-current liabilities			
Deferred tax liabilities	13	573	611
Total non-current liabilities		573	611
Net Assets		8,136	7,448

Equity			
Share capital	14	2,939	2,923
Share premium		2,082	2,057
Revaluation reserve		2,553	3,597
Retained earnings/(losses)		562	(1,129)
Shareholders' equity		8,136	7,448

These financial statements were approved by the Board of Directors and authorised for issue on 13 September 2021.

Group Statement of Changes in Equity

For the year ended 31 May 2021

	Share capital	Share premium	Revaluation reserve	Retained losses	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 31 May 2019	2,904	2,029	4,203	(956)	8,180
Adoption of IFRS 16	-	-	-	(48)	(48)
Balance at 1 June 2019	2,904	2,029	4,203	(1,004)	8,132
Loss for the financial year	-	-	-	(127)	(127)

Movement in unrealised appreciation of investments	-	-	(793)	-	(793)
Deferred tax on movement in unrealised appreciation of investments	-	-	187	-	187
Total comprehensive income / (expense) for the year	-	-	(606)	(127)	(733)
Share based payment transactions	-	-	-	2	2
Issue of ordinary share capital	19	28	-	-	47
Total transactions with owners, recognised directly in equity	19	28	-	2	49
Balance at 1 June 2020	2,923	2,057	3,597	(1,129)	7,448
Profit for the financial year	-	-	-	567	567
Movement in unrealised appreciation of investments	-	-	75	-	75
Deferred tax on movement in unrealised appreciation of investments	-	-	(12)	-	(12)
Realised disposal of Fair value through other comprehensive	-	-	(1,107)	1,122	15

income investments					
Total comprehensive income / (expense) for the year	-	-	(1,044)	1,689	645
Share based payment transactions	-	-	-	2	2
Issue of ordinary share capital	16	25	-	-	41
Total transactions with owners, recognised directly in equity	16	25	-	2	43
Balance at 31 May 2021	2,939	2,082	2,553	562	8,136

Group and Parent Company Statement of Cash Flows

For the year ended 31 May 2021

	Notes	2021	2021	2020	2020
		Group	Company	Group	Company
		£'000	£'000	£'000	£'000
Operating profit/(loss)		382	348	(360)	(170)
Amortisation of intangible assets arising on consolidation		160	161	156	24
Amortisation of other intangible assets		33	33	32	32

Depreciation of right-of-use assets	101	101	173	173
Depreciation of property, plant and equipment	33	33	39	39
Expenses settled by the issue of shares	2	2	2	2
(Increase) / decrease in receivables	(119)	(583)	(11)	323
Increase / (decrease) in payables	(873)	(744)	75	24
Cash generated from/(used) in operations	(281)	(649)	106	447
Tax (paid)	-	-	-	-
Net cash generated from/(used in) operating activities	(281)	(649)	106	447
Investing activities				
Investment income received	237	237	143	143
Interest received	-	-	148	148
Proceeds on disposal of investments held at FVTOCI	1,400	1,400	5	5
Purchases of property, plant and equipment	(4)	(4)	(62)	(62)
Net cash generated from investing activities	1,633	1,633	234	234
Financing activities				
Interest paid	(9)	(9)	(24)	(24)
Proceeds from issue of ordinary share capital	40	40	47	47

Repayment of lease liabilities	(124)	(124)	(197)	(197)
Net cash used in financing activities	(93)	(93)	(174)	(174)
Net increase/(decrease) in cash and cash equivalents	1,259	891	166	507
Cash and cash equivalents at beginning of year	2,239	1,898	2,073	1,391
Cash and cash equivalents at end of year	3,498	2,789	2,239	1,898

Notes to the Accounts

For the year ended 31 May 2021

1. Basis of preparation

These financial statements have been prepared in accordance with the requirements of IFRS implemented by the Group for the year ended 31 May 2021 as adopted by the International Financial Reporting Interpretations Committee and in conformity with the Companies Act 2006 The Group financial statements have been prepared under the historical cost convention, with the exception of financial instruments, which are stated in accordance with IFRS 9 Financial Instruments: recognition and measurement.

The financial information included in this News Release does not constitute statutory accounts of the Group for the years ended 31 May 2021 and 2020, but is derived from those accounts. Statutory accounts for the year ended 31 May 2020 have been reported on by the Group's auditor and delivered to the Registrar of Companies. Statutory accounts for the year ended 31 May 2021 have been audited and will be delivered to the Registrar of Companies. The report of the auditors for both years was (i) unqualified and (ii) did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

Copies of the Annual Report will be sent on 14 September 2021 to shareholders and will also be available on our website at www.fiskeplc.com

New and revised IFRSs in issue but not yet effective

A number of amendments to existing standards have been effective from 1 June 2020 but they do not have a material effect on the Group financial statements. There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early. The following amendments are effective for future periods:

IFRS/Std	Description	Issued	Effective
IAS 1 Presentation of Financial Statements	Amendments regarding the disclosure of accounting policies	February 2021	Annual periods beginning on or after 1 January 2023
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	Amendments regarding the definition of accounting estimates	February 2021	Annual periods beginning on or after 1 January 2023
IFRS 3 Business Combinations	Amendments updating a reference to the Conceptual Framework	May 2020	Annual periods beginning on or after 1 January 2022

The Group do not expect these amendments to have a significant impact on the financial statements.

There were no new standards adopted in the current year.

2. Total revenue and segmental analysis

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by management to allocate resources to the segments and to assess their performance. Following the acquisition of Fieldings Investment Management Limited in August 2017, their staff and operations have been integrated into the management team of Fiske plc. Pursuant to this, the Group continues to identify a single reportable segment, being UK-based financial intermediation. Within this single reportable segment, total revenue comprises:

	2021	2020
	£'000	£'000

Commission receivable	2,854	2,732
Investment management fees	3,164	2,615
	6,018	5,347
Profit / (loss) on investments held at FVTOCI	-	-
Other income / (loss)	80	36
	6,098	5,383

Substantially all revenue in the current and prior year is generated in the UK and derives solely from the provision of financial intermediation.

3. Tax

Analysis of tax on ordinary activities:

	2021	2020
	£'000	£'000
Current tax		
Current year	43	-
Prior year adjustment	-	-
	43	-
Deferred tax		
Current year	-	-
Prior year adjustment	-	-
Total tax charge to Statement of Comprehensive Income	43	-

Factors affecting the tax charge for the year

The standard rate of tax for the year, based on the United Kingdom standard rate of corporation tax, is 19.00% (2020: 19.00%). This is also expected to be the rate applicable in the next financial year.

Changes to the UK corporation tax rate were substantively enacted on 24 May 2021. From 1 April 2023 the main corporation tax rate will increase to 25% from 19%. If this enacted rate had been applied this would have resulted in a further deferred tax liability of £181,000.

The charge/(credit) for the year can be reconciled to the profit per the Statement of Comprehensive Income as follows:

	2021	2020
	£'000	£'000
Profit/(loss) before tax	608	(127)
Charge/(credit) on profit on ordinary activities at standard rate	116	(24)
Effect of:		
Expenses not deductible in determining taxable profit	3	6
Non-taxable income	(45)	(27)
Carry back tax relief	(31)	-
Tax losses not recognised	-	45
	43	-

4. Earnings per share

Basic earnings per share has been calculated by dividing the profit on ordinary activities after taxation by the weighted average number of shares in issue during the year. Diluted earnings per share is basic earnings per share adjusted for the effect of conversion into fully paid shares of the weighted average number of share options during the year.

		Diluted
31 May 2021	Basic	Basic
	£'000	£'000
Profit on ordinary activities after taxation	565	565
Adjustment to reflect impact of dilutive share options	-	-
Profit	565	565
Weighted average number of shares (000's)	11,724	11,769
Earnings per share (pence)	4.8	4.8

31 May 2020	Basic £'000 (restated)	Diluted Basic £'000 (restated)
(Loss) on ordinary activities after taxation	(127)	(127)
Adjustment to reflect impact of dilutive share options	-	-
(Loss)	(127)	(127)
Weighted average number of shares (000's)	11,673	11,714
(Loss) per share (pence)	(1.1)	(1.1)

	31 May 2021	31 May 2020
Number of shares (000's):		
Weighted average number of shares	11,724	11,673
Dilutive effect of share option scheme	44	41
	11,769	11,714

5. Intangible assets arising on consolidation

	Customer relationships	Goodwill	Total
	£'000	£'000	£'000
Cost			
At 1 June 2019	1,312	1,311	2,623
Additions	-	-	-

At 31 May 2020	1,312	1,311	2,623
Additions	-	-	-
At 31 May 2021	1,312	1,311	2,623
Accumulated amortisation or impairment			
At 1 June 2019	(262)	(916)	(1,178)
Charge in year	(132)	(24)	(156)
At 31 May 2020	(394)	(940)	(1,334)
Charge in year	(130)	(30)	(160)
At 31 May 2021	(524)	(970)	(1,494)
Net book value			
At 31 May 2021	788	341	1,129
At 1 June 2020	918	371	1,289

Goodwill arising through business combinations is allocated to individual cash-generating units ('CGUs') being acquired subsidiaries, reflecting the lowest level at which the Group monitors and test goodwill for impairment purposes. The CGUs to which goodwill is attributed are as follows:

	2021	2020
CGU	£'000	£'000
Ionian Group Limited	176	206
Vor Financial Strategy Limited	165	165
Goodwill allocated to CGUs	341	371

The impairment charge arises from a prudent assessment that customer relationships and goodwill change over time and are not of indefinite life. Based on analyses of the relevant customer base segments, a determination was made as to the expected income streams arising over the next 7 years. The recoverable amounts of the goodwill in Ionian Group Limited and in Vor Financial Strategy Limited are determined based on value-in-use calculations. These calculations use projections of marginal profit contributions over the expected remaining stream of attributable value. The key assumptions used for value-in-use calculations are as follows:

Direct and indirect costs as % of revenues	60%
Growth rate	0 %
Discount rate	12.5 %

Had the discount rate used gone up / down by 1%, impairment would have been £6,000 higher/lower and the carrying amount commensurately adjusted. Management determined margin contribution and growth rates based on past performance of those units, together with current market conditions and its expectations of development of those CGUs. The discount rate used is pre-tax, and reflects specific risks relating to the relevant CGU.

6. Other intangible assets

	Systems licence
Group and Company	£'000
Cost	
At 1 June 2019	192
Additions	-
At 1 June 2020	192
Additions	-
At 31 May 2021	192
Accumulated amortisation	
At 1 June 2019	(95)
Charge for the year	(32)
At 1 June 2020	(127)
Charge for the year	(33)
At 31 May 2021	(160)

Net book value	
At 31 May 2021	32
At 31 May 2020	65

7. Right-of-use assets

	Property
Group and Company	£'000
Cost	
At 1 June 2019	274
Additions	-
At 1 June 2020	274
Additions	-
At 31 May 2021	274
Accumulated amortisation	
At 1 June 2019	-
Charge for the year	(173)
At 1 June 2020	(173)
Charge for the year	(101)
At 31 May 2021	(274)
Net book value	
At 31 May 2021	-
At 31 May 2020	101

8. Property, plant and equipment

Group and Company	Office furniture and equipment £'000	Computer equipment £'000	Office refurbishment £'000	Total £'000
Cost				
At 1 June 2019	162	214	175	551
Additions	2	60	-	62
Disposals	-	-	-	-
At 1 June 2020	164	274	175	613
Additions	-	4	-	4
At 31 May 2021	164	278	175	617
Accumulated depreciation				
At 1 June 2019	(149)	(197)	(175)	(521)
Charge for the year	(7)	(32)	-	(39)
At 1 June 2020	(156)	(229)	(175)	(560)
Charge for the year	(7)	(26)	-	(33)
At 31 May 2021	(163)	(255)	(175)	(593)
Net book value				
At 31 May 2021	1	23	-	24
At 31 May 2020	8	45	-	53

A ten-year lease of office premises at London Wall came to an end at December 2020. Since then the company has continued to rent those office premises continuing the quarterly rental payments.

The Group used the following practical expedients when applying IFRS16 to leases previously classified as operating leases under IAS17.

- Applied a single discount rate to a portfolio of leases with similar characteristics
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. Between March and June 2020, the company benefited from certain rent concessions occurring as a direct consequence of the Covid-19 pandemic amounting to £46,606 (prior year: £nil), the benefit of which has been recognised in the profit and loss account for the year as a reduction in costs.

Investments held at Fair Value Through Other Comprehensive Income

	2021	2020
Group and Company	£'000	£'000
Opening valuation	4,962	5,759
Opening fair value gains on investments held	(4,303)	(5,095)
Cost	659	664
Cost of disposals	(182)	(5)
Cost	477	659
Gains on investments	3,127	4,303
Closing fair value of investments held	3,604	4,962
being:		
Listed	-	-
Unlisted	3,604	4,962
FVTOCI investments carried at fair value	3,604	4,962

Gains / (losses) on investments	2021	2020

Group and Company	£'000	£'000
Realised gains on sales	1,250	-
Increase in fair value	1,877	4,303
Gains on investments	3,127	4,303

The investments included above are represented by holdings of equity securities. These shares are not held for trading.

9. Trade and other receivables

	2021	2021	2020	2020
	Group	Company	Group	Company
Group and Company	£'000	£'000	£'000	£'000
Counterparty receivables	1,065	1,065	150	150
Trade receivables	-	-	1,345	1,345
	1,065	1,065	1,495	1,495
Amount owed by group undertakings	-	703	-	85
Other debtors	86	48	56	142
Prepayments and accrued income	1,363	1,050	847	566
	2,514	2,866	2,398	2,288

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

Trade receivables

Included in the Group's trade receivables are debtors with a carrying amount of £nil (2020: £nil) which are past due at the reporting date for which the Group has not provided.

Counterparty receivables

Included in the Group's counterparty receivables balance are debtors with a carrying amount of £1,065,000 (2020: £150,000) which are past due but not considered impaired.

Ageing of counterparty receivables:

	2021	2020
	£'000	£'000
0 - 15 days	1,025	128
16 - 30 days	22	-
31 - 60 days	19	22
	1,065	150

10. Trade and other payables

	2021	2021	2020	2020
	Group	Company	Group	Company
	£'000	£'000	£'000	£'000
Counterparty payables	623	623	1,456	1,456
Trade payables	436	435	-	-
	1,059	1,058	1,456	1,456
Financial liabilities measured at amortised cost being deferred consideration payable	-	-	218	218
Other sundry creditors and accruals	990	870	1,250	1,005
	2,049	1,928	2,924	2,679

11. Lease liabilities

	2021 Group £'000	2021 Company £'000	2020 Group £'000	2020 Company £'000
Current			124	124
Non-current	-	-	-	-
	-	-	124	124
Maturity analysis:				
Not later than one year	-	-	124	124
Later than one year and not later than 5 years	-	-	-	-
	-	-	124	124

The cash flow impact is summarised as:

	2021 Group £'000	2021 Company £'000	2020 Group £'000	2020 Company £'000
Lease liabilities at end of prior year	124	124	-	-
Adoption of IFRS 16 at 1 June 2019	-	-	321	321
Lease liabilities at beginning of year	124	124	321	321
Cash flow†	(124)	(124)	(197)	(197)
Lease liabilities at end of year	-	-	124	124

†The lease liability is retired over time by the contrasting interest expense and lease payments.

12. Deferred taxation

Investments

Group and Company	Capital allowances £'000	£'000	Tax Losses £'000	Deferred tax liability £'000
At 1 June 2020	(1)	706	(94)	611
Charge for the year	-	12	94	106
Deferred tax released on sale of investments	-	(144)	-	(144)
Charge to Statement of Comprehensive Income				
- in respect of current year	-	-	-	-
At 31 May 2021	(1)	574	-	573

Deferred tax assets and liabilities are recognised at a rate which is substantively enacted at the balance sheet date. The rate to be taken in this case is 19%, being the anticipated rate of taxation applicable to the Group and Company in the following year.

13. Called up share capital

	2021		2020	
	No. of shares	£'000	No. of shares	£'000
Authorised:				
Ordinary shares of 25p	12,000,000	3,000	12,000,000	3,000
Allotted and fully paid:				
Ordinary shares of 25p				
Opening balance	11,693,790	2,923	11, 617,597	2,904
Shares issued	61,069	16	76,193	19
Closing balance	11,754,859	2,939	11,693,790	2,923

Included within the allotted and fully paid share capital were 9,490 ordinary shares of 25p each (2019: 9,490 ordinary shares of 25p each) held for the benefit of employees.

At 31 May 2021 there were 200,000 outstanding options to subscribe for ordinary shares at a weighted average exercise price of 55p (2020: 55p) and a weighted average remaining contractual life of 3 years, 5 months. (2020: 3 years, 9 months). Ordinary shares are entitled to all distributions of capital and income.

14. Financial commitments

Lease - classified as an IFRS 16 lease

At 31 May 2021 the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2021		2020	
	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
In the next year	-	5	191	-
In the second to fifth years inclusive	-	-	-	-
Total commitment	-	5	191	-

In June 2010, the Company entered into a lease over its premises at London Wall for a period of 10 years, with a five-year break clause. That lease expired on 31 December 2020.

15. Clients' money

At 31 May 2021 amounts held by the Company on behalf of clients in accordance with the Client Money Rules of the Financial Conduct Authority amounted to £63,153,533 (2020: £56,624,640). The Company has no beneficial interest in these amounts and accordingly they are not included in the consolidated statement of financial position.

END