MXC Capital Limited

("MXC", the “Company" or the “Group”)

Final Results for the Year Ended 31 August 2019

MXC, the technology focused advisor and investor, announces its audited final results for the year ended 31 August 2019.

Summary

- Strong balance sheet, net assets of £71.3 million as at 31 August 2019 (31 August 2018: £63.9 million) including £21.5 million of cash with no borrowings (31 August 2018 comparative: £12.4 million);

- Net asset value[1] per share as at 31 August 2019 of 117 pence (31 August 2018: 95 pence per share) with the underlying portfolio and liquid assets[2] valued at 102 pence per share (31 August 2018: 81 pence per share);

- Trading EBITDA profit[3] of £1.8 million (2018: loss of £1.2 million);

- Profit after tax of £9.4 million (2018: loss of £7.6 million) reflecting recovery in value of the Group’s public company investments at 31 August 2019;

- Notable milestones during the year include:

  - Exit from Tax Systems plc, generating total proceeds of £24.2 million, representing an overall return of 1.62x and a cash profit of £9.3 million plus fees;

  - £15.7 million of further equity and loan capital investments made during the year, including:
    - £4.6 million invested into the partnerships with Liberty Global plc and GIF Technology and Innovation Cell;
    - £8.0 million loan capital advanced to IDE Group Holdings plc to replace the company’s debt provider; and

  - Completion of the sale of a 25% stake in MXC Capital (UK) Limited, the holding company of MXC’s transactional businesses, for £2.25 million to Ravenscroft Limited.

Post year end highlights

- Completion of tender offer for total amount of £1.7 million, at a price of 116 per share;

- £3.5 million debt refinance and £0.1 million further equity investment in Adept4 plc[4]; and

- £4.9 million invested into Channel Islands Media Group Limited, a new joint venture with Bailiwick Investments Limited.

Peter Rigg, Chairman of MXC, said:

"In the year to 31 August 2019, MXC made significant progress both in terms of trading profitability and with respect to its investments. After a couple of difficult years, I am delighted that the hard work of the MXC team is paying off and that we were able to reward shareholders for their loyalty by way of a return of capital. I continue to be grateful for the diligence, initiative and creativity of the MXC team during the year and, as ever, for the ongoing support of our shareholders. The Board looks to the future with confidence."

[1] *total balance sheet net assets plus market value of shares held in the Employee Benefit Trust as at 31 August 2019*

[2] *comprises cash balances, investments, outstanding loan capital and accrued interest and the market value of shares held in the Employee Benefit Trust as at 31 August 2019*

[3] *earnings from trading activities before interest payable, tax, depreciation, amortisation, exceptional items, share-based payments and movements in fair value of investments and after interest income under the effective interest method as this is considered to be part of the trading activities of the Group*

[4] *on 29 November 2019, Adept4 plc changed its name to CloudCoCo Group plc*

The information communicated in this announcement is inside information for the purposes of Article 7 of Regulation 596/2014.

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About MXC Capital Limited **www.mxccapital.com**

MXC is a specialist technology adviser and investor with a track record of investing in and advising companies in the TMT sector. MXC brings together a deep knowledge of technology, first-hand experience of managing companies in the sector, an ability to make meaningful investments and a highly experienced corporate advisory team in support, all of which combine to grow shareholder value.

Chairman's Statement

I am pleased to report on what has been a positive year for MXC Capital Limited, one that has seen a return to profitability for the Group and the successful exit from one of our public company investments, enabling us to revive our policy of returning capital to shareholders, post year end.

Our two remaining public company investments, Adept4 plc[1] ("AD4") and IDE Group Holdings plc ("IDE"), continue on their journey to recovery following significant work from the MXC team and we continue to make good progress with our key private investments. In particular, our partnerships with Liberty Global plc (“Liberty”), and with Ravenscroft Limited (“Ravenscroft”) in relation to GIF Technology & Innovation Cell (the “GIF”) have each seen an increased level of activity during the year. As previously explained, these partnerships mean that in addition to the return on our own investment we can also be rewarded by a share of the profit on an overall transaction as well as a level of fee income from advisory and professional services, therefore providing an opportunity for enhanced returns to our shareholders. The combination of management fees from these partnerships and transaction and consultancy fees from other investments has enabled the Group to return to profit at Trading EBITDA[2] level in the year under review.

Balance sheet
Our balance sheet remains healthy with net assets at 31 August 2019 of £71.3 million (2018: £63.9 million) including £21.5 million of cash with no borrowings (2018: cash with no borrowings of £12.4 million). The increase in our cash balance reflects the disposal of our investment in Tax Systems plc (“Tax Systems”) during the year, and gives us the flexibility to make further investments, as we have done post-period end. The major movement in the year was a £9.2 million net increase in the value of our investments. All of our public company investments increased in value during the year.

Investment portfolio
£15.7 million of further equity and loan capital investments were made during the year, including:

- £4.6 million invested into the partnerships with Liberty and the GIF;
- £8.0 million of loan capital advanced to IDE to replace the company’s debt provider; and
- £3.0 million of loans advanced to our private company portfolio and subsequently repaid in the year.

In March 2019, we exited from our investment in Tax Systems receiving proceeds of £24.2 million, a total profit since initial investment of £9.3 million plus fees.

Post-period end, we have continued to strengthen our investment portfolio, including:

- £3.5 million debt refinance and £0.1 million further equity investment in AD4; and
- £4.9 million invested into Channel Islands Media Group Limited, a new joint venture with Bailiwick Investments Limited.

We continue to work with the management of all of our investee companies in order to help develop their strategies and maximise value and we continue to be actively involved in the turnarounds currently in progress within IDE and AD4.

Corporate Finance and Advisory
Our transactional businesses have seen a healthy level of fee income this year as we continue to execute on our advisory and transactional mandates. The fees from these businesses flow to MXC Capital (UK) Limited (“MXCUK”). In September 2018, we completed the sale of 25% of this company to Ravenscroft for £2.25 million. The investment represents a deepening of MXC’s relationship with Ravenscroft, which we believe will help to grow and drive further value within MXCUK, as well as providing additional investment opportunities for our investment business.

The Board believes that the value of this division is not fully reflected in MXC’s NAV and hence, as we announced in September 2019, we are looking to separate it from the broader MXC Group. We hope to announce further plans regarding this demerger in the new year.

Board and management changes
On 4 March 2019, Simon Freer joined the Board as non-executive director, replacing Meriel Lenfestey

who resigned on 14 February 2019. We are grateful for the contribution which Meriel made to the Board. Simon has extensive experience operating and investing in technology, media and telecoms companies and is currently Chief Commercial Officer of Liberty Global Content Investments.

Employee Benefit Trust

During the year we established an employee benefit trust (“EBT”). The purpose of the EBT is to buy MXC shares in the market to be held to satisfy existing and future share incentivisation awards, so reducing any future dilution for shareholders. The EBT has been funded by way of a loan from MXC and as at 31 August 2019 had purchased circa 12 per cent. of the issued share capital of the Company.

Tender offer

In September 2019, the Board announced that it had decided to reward shareholder loyalty by reviving its policy of returning capital to shareholders. The Board’s intention is to establish a progressive policy which will see capital being returned to shareholders by way of periodic tender offers. The mechanism of a tender offer gives shareholders the flexibility to either realise a return by allowing the Company to purchase a portion of their shares for cash, or to retain a potentially larger relative holding in the Company so that they might further benefit from any future capital growth. In October 2019, a tender offer was completed for an amount of £1.7 million. The price for the tender offer was 116 pence per share, representing the approximate net asset value of the Group at 31 August 2019, plus the market value of shares held in the EBT at that date.

Outlook

I am pleased that the benefits arising from all the hard work of the MXC team in overcoming the challenges of the previous couple of years are now being seen in all areas of our business.

I continue to be grateful for the hard work, initiative and creativity of the MXC team during the year and, as ever, for the ongoing support of our shareholders. The Board looks to the future with confidence.

Peter Rigg
Chairman

[1] *on 29 November 2019, Adept4 plc changed its name to CloudCoCo Group plc*

[2] *earnings from trading activities before interest payable, tax, depreciation, amortisation, exceptional items, share-based payments and movements in fair value of investments and after interest income*

Chief Executive Officer’s Report

The year to 31 August 2019 was a good year for MXC, and a year in which we got back on the front foot. There was considerable activity across our portfolio, both in terms of further investment and the realisation of one of our public company investments, Tax Systems. We ended the year with £21.5 million in cash on our balance sheet and showing a profit at Trading EBITDA level of £1.8 million.

In March 2019, the take private of Tax Systems by a subsidiary of funds managed by Bowmark Capital LLP, a private equity entity, was completed. The proceeds from the sale of our investment and warrants in Tax Systems amounted to £24.2 million, which represented a blended return of 1.62x in under 3 years. This excludes the £2.0 million fee that was generated at the time of the original IPO of the company which, if added into the return, would have shown a 1.75x return. Furthermore, MXC has received a £0.3 million fee in relation to the take private transaction.

Following the sale of Tax Systems, we now have two public company investments remaining in our portfolio; AD4 and IDE, both of which have experienced turbulent times over the past few years. However, following our involvement within these businesses we continue to believe they will be returned to a level of trading profitability that will allow MXC to exit and recover the lost value. Significant progress has been made within both businesses in that regard.

In August this year, AD4 announced the proposed acquisition of Cloudcoco Limited ("CloudCoCo") alongside the proposed sale of the loan notes held by Business Growth Fund plc ("BGF") to MXC. CloudCoCo is a business that was founded by certain former sales directors of Redcentric plc with whom MXC worked closely whilst a shareholder in Redcentric plc. At the time of creating CloudCoCo, its founders approached MXC to become a shareholder because they believed that we could add value to their business and help them navigate through the minefield of growing a company from inception. This is what the founders of MXC had done themselves several times before, with successful exits.

Just prior to completion of the acquisition of CloudCoCo by AD4 (the "Acquisition"), we sold our initial investment in CloudCoCo to the incoming CEO of AD4 in order that he had a more meaningful stake in the enlarged group going forward. We remain a significant shareholder in the enlarged business, with a shareholding that currently stands at 15.2%. As a further show of our support for the enlarged business, we waived our warrants in AD4. As mentioned above, we have also enabled AD4 to restructure their debt, with MXC purchasing £3.5 million of the £5.0 million loan notes in AD4 which were held by BGF, and BGF cancelling the remaining £1.5 million loan notes they held. This means that the enlarged group has a lower level of debt going forward, with a longer period before repayment, as the terms of the loan notes were revised so that the term was extended to 2024. The team at CloudCoCo has a proven pedigree in sales and business development and could see that, despite the challenges of getting the AD4 business back on track, there was latent value in the company. I have no doubt that over time they will succeed and we are confident that this business is now in good hands.

The path to recovery for IDE has been a long and difficult one and at times it felt like one step forwards, two steps back. Nonetheless the teams within the business, both executive and operational, have worked wonders and they now have a good platform from which to grow. The business was refinanced at the beginning of 2019 by the issue of £10.0 million secured loan notes. MXC now holds £8.0 million of these loan notes plus accrued interest, alongside 43.1 per cent. of the equity of IDE. The refinancing means that IDE now has secure, long term funding and no external third-party debt as the loan notes are held solely by shareholders. Whilst there remain challenges, in recent times IDE has moved into positive territory by beginning to win significant renewals and new contracts, testament to the will, enthusiasm and dedication to customer service from the operational team. There still exists a general level of customer churn in IDE which has impacted current year revenue and profitability, but this continues to be addressed and once this ceases, we anticipate the business will have turned the corner and should achieve market levels of profitability, which it is more than capable of delivering. We remain confident that we will see a complete return of our capital from IDE.

Outside of AD4 and IDE our focus has been on our private investments. We have previously stated that post the eventual disposal of the above two public company investments our future focus will be entirely on the private sector. At that stage, the only way that investors will be able to access our investments, should they wish, is via MXC itself. Under our existing business model, we have helped to build and successfully exit businesses whilst being only a minority shareholder, and despite the constraints inherent in some of them being public market investments. Having built a balance sheet of size and developed partnerships with like-minded investors, we intend to transition our business to a model more akin to that of Melrose Industries plc, whereby we own, or majority own, our investments and therefore benefit from all of the return from our efforts. I am confident that this model will be far more rewarding over time for both our partners and investors.

A further two businesses were acquired into the joint venture with Liberty in the year under review. Though overall progress in acquiring businesses into the joint venture has been slower than we had hoped, the acquired businesses have been bought cost effectively and are delivering against plan. In the current market place, where there are at least 15 other private equity backed roll ups in the same sector, we have built a very attractive asset that we believe could be worth double that which we paid for it based on the market multiples of other deals completed in the sector in recent times.

The GIF is targeting to have completed around 17 investments and for the original fund of £38.0 million to be fully invested or committed within less than two years from launch in February 2018. The effort required to achieve the progress made to date has been significant and we thank the teams in London and Guernsey who have supported that journey. Given the quality of the investments made by the GIF, we are confident we will see a favourable return on our investment.

Post year end, we took another step in transitioning our business model and strengthening our relationship with Ravenscroft with a £4.9 million investment into Channel Islands Media Group Limited ("CIMG"), a new joint venture with Bailiwick Investments Limited (the "BIL"), a specialist fund which is administered and managed by Ravenscroft. The investment enabled CIMG to acquire The Guernsey Press Company Limited and its wholly owned subsidiary, Guernsey Distribution Limited (together, "The Guernsey Press"). The Guernsey Press is a key source of news and information across the Bailiwick of Guernsey, offering multi-media platforms such as the website and app "GY4U", as well as the production and distribution of the local newspaper and the wholesale and distribution of national newspapers and magazines. Using technology, the intention is to enhance the content and market share of both the website and app and to provide a full managed service for the digital needs of the Guernsey business community.

All of this positive activity contributed to the Group generating £1.8 million of Trading EBITDA for the year ended 31 August 2019. This led us to revive the Group's policy of returning capital to shareholders by way of a tender offer which gives investors the opportunity to realise a small part of their investment at the current net asset value. The tender offer was completed post year end at a price of 116 pence per share. The establishment of the EBT at the beginning of this year has also enabled the Company to benefit shareholders by buying shares in the market at below net asset value to be held to satisfy existing and future share incentivisation awards for employees and directors of MXC.

It is the intention of the Company to continue this theme in the forthcoming years, rewarding loyal shareholders with a dividend-like payment whilst also enabling other investors to exit in whole or in part either by way of the tender offer or by the EBT acquiring more shares in the market. It is expected that this will lead to further consolidation of the shareholder base so that in time, the business may look and feel more like a family office rather than a classic public company.

The driving force behind all this activity is the trading division of MXC, MXCUK, which is the holding company of the Group's transactional businesses. It receives the management, transactional and consultancy fees generated by the Group and is the business in which Ravenscroft made a £2.25 million investment in September 2018, valuing it at £9 million. We believe the value of this division is not fully recognised within MXC's NAV and hence believe that greater value will be realised for shareholders by separating it from the rest of the MXC Group. It has been proposed that this separation is achieved by way of a demerger of MXCUK. Work is progressing in this respect and we hope to announce further details in the New Year.

In summary, this has been a good year for MXC. We have learned some valuable lessons from our experiences of the recent past, but I believe we have shown the strength, tenacity and business acumen to emerge from those difficulties with a stronger and more valuable company.

Ian Smith
CEO

Financial Review

Trading results
Following the challenges of recent years, the Group has returned to profitability at a Trading EBITDA level and has also recovered value in its public company investments.

Revenue
Total consolidated revenue for the year, reflecting both fee income and interest income, was £3.3 million (2018: £1.1 million). The Group's partnerships with Ravenscroft in relation to the GIF and with Liberty are now generating significant revenue. The analysis of revenue and trading by segment is shown in note 3.

In addition to its fee income of £2.4 million (2018: £1.0 million), the Group has generated £0.8 million (2018: £34k) of interest income in respect of loans made in the period.

As a result of the adoption of IFRS 9 in the period, the interest income calculated under the effective interest method is shown separately in the consolidated statement of profit or loss. The Board considers this interest income to be part of the trading activities of the Group and therefore it has been presented as a component of revenue. The comparative figures have been restated to reflect this treatment. In accordance with IFRS 9, interest under the effective interest method is recognised over the term of the loan, even if the interest is not physically received until the end of the term, as is the case with the loan notes held in IDE.

Movement in value of investments
The Group prepares its accounts in accordance with IFRS as adopted by the EU, accounting for its investments under IAS 28. This accounting standard mandates that all changes to the fair value of investments are shown in profit or loss, irrespective of whether those changes are considered short-term or permanent. The Group's profit or loss for any given period is, therefore, directly affected by the period-end share price of its quoted investee companies, which, given the stage of development of those companies, can be quite volatile. The Group saw an increase in the fair value of its investment portfolio in the year of £9.2 million (2018: fall of £5.0 million), which is directly reflected in the consolidated statement of profit or loss. The movement in the value of investments is detailed in the investments table below.

Operating expenses
Operating expenses were incurred in the running of all Group entities and include the cost of the Board and its advisers, including the fees associated with maintaining the AIM listing. The Group has continued to control its costs during the period, whilst retaining the capability to originate and execute investments and transactions for its investee companies and co-investors.

Total operating expenses for the year were £3.5 million (2018: £4.0 million). This figure includes a non-cash share-based payments charge of £0.2 million (2018: £0.4 million) and a non-cash IFRS 9 expected credit loss provision in respect of the Group's loans receivable of £0.1 million (2018: £nil). In addition, carried interest in the sum of £1.0 million (including related social security costs) became payable to employees of MXC by way of a bonus (2018: £1.2 million). As this bonus relates to the disposal of an investment, as opposed to the generation of Trading EBITDA profits, it is considered exceptional in nature.

Excluding these items, underlying operating expenses fell during the period by £0.2 million from £2.4 million in 2018 to £2.2 million in 2019.

Trading EBITDA

As any changes in the fair value of the Group's investment portfolio at any given point in time can affect profit or loss significantly, the Board measures the underlying trading performance of the Group excluding the gains or losses on its investments. This is based on a measure of EBITDA* stated before share-based payments, exceptional items, movements in the value of investments and the IFRS 9 loans receivable expected credit loss provision, but after interest income under the effective interest method as this is considered to be part of the trading activities of the Group ("Trading EBITDA"). The Trading EBITDA for the year to 31 August 2019 was £1.8 million (2018: loss of £1.2 million).

Trading EBITDA, together with revenue, cash balances and the value of the Group's investments are the principal financial key performance indicators used by the Board in monitoring the performance of the business.

**earnings before interest payable, tax, depreciation and amortisation*

Profit for the year attributable to owners of the parent company

After all costs and income (including the changes in the fair value of investments), together with a tax charge of £0.3 million (2018: credit of £0.4 million), the reported Group profit for the year was £9.4 million (2018: loss of £7.6 million). Of this profit, £9.1 million was attributable to owners of the parent company and £0.3 million was attributable to non-controlling interests, following the disposal of 25% of MXCUK to Ravenscroft in the year. All of the 2018 loss was attributable to owners of the parent company. An interim dividend of £0.2 million payable to non-controlling interests was declared and paid during the year.

Investments and loans

During the year, the Group invested £4.7 million into its equity investment portfolio and advanced loans of £11.0 million. Proceeds of £24.2 million were raised from the disposal of the Group's investment and warrants in Tax Systems, a total profit since acquisition of £9.3 million plus fees. In addition, loans to the value of £3.4 million were repaid to the Group.

At the year end, the Group had outstanding loan capital and accrued interest of £8.7 million (2018: £0.5 million) and its equity investment portfolio was valued at £30.8 million (2018: £41.1 million) as shown in the following table:

	Fair value at 1 September 2018	Investment cost	Change in fair value	Disposal/ exercise proceeds	**Fair value at 31 August 2019**
	£000	£000	£000	£000	**£000**
Adept4 plc	965	124	1,327	-	**2,416**
IDE Group Holdings plc	6,308	-	6,395	-	**12,703**
Tax Systems plc	19,417	-	4,336	(23,753)	**-**
Private companies	13,483	4,560	(2,317)	-	**15,726**
Total investments	40,173	4,684	9,741	(23,753)	**30,845**
Warrants	945	-	(505)	(440)	**-**
Total investments and warrants	41,118	4,684	9,236	(24,193)	**30,845**

Cash flow

The Group's cash outflow from operating activities in the period was £0.3 million (2018: £1.9 million). This cash outflow partly reflects the fact that the IDE loan interest receivable, whilst included in the results for the year, is not payable until the end of the loan term. Also included within the cash outflow from operating activities are staff bonuses totalling £1.0 million which were paid in the year. Proceeds from the sale the Tax Systems investment of £24.2 million were received and £4.7 million was invested into the Group's equity portfolio. Loans advanced, net of loans repaid, totalled £7.6 million. £3.5 million was received in respect of investments in the Group's subsidiaries by non-controlling investments and a dividend of £0.2 million was paid to non-controlling interests. £5.6 million was used to purchase shares of the Company into the Group's newly established Employee Benefit Trust and £0.3 million was spent servicing the Group's borrowings. The cash balance at the end of the period was £21.5 million (2018: £12.4 million).

Net assets

Net assets at the end of the year were £71.3 million (2018: £63.9 million). Of this, £65.9 million (2018: £61.6 million) was attributable to equity holders of the Company and £5.4 million (2018: £2.35 million) was attributable to non-controlling interests. During the year Ravenscroft purchased 25% of the issued share capital in one of the Group's subsidiary companies, MXCUK, and the GIF made a further investment into MXC JV Limited, a subsidiary of the Group which holds the investment in the joint venture with Liberty.

The Group's shares held in the EBT are shown as a debit to equity in the consolidated statement of financial position. At 31 August 2019, the shares held in the EBT had a market value of £7.2 million (2018: £nil). Adding the value of these shares to the net assets at the end of the year gives an "Adjusted net asset value" of £78.5m (2018: £68.8 million), equivalent to 117 pence per share (2018: 95 pence).

In October 2019, the company returned £1.7 million to shareholders by way of a tender offer at a price of 116 pence per share as we revived our policy of returning capital to shareholders.

Consolidated Statement of Profit or Loss
for the year ended 31 August 2019

	Notes	**2019** **£000**	As reported 2018 £000	Restated 2018 £000
Fee income	2	**2,437**	1,034	1,034
Interest income	2,4	**819**	-	34
Revenue		**3,256**	1,034	1,068
Other income		**688**	40	40
Movement in fair value of investments	8	**9,236**	(4,973)	(4,973)
Operating expenses		**(3,468)**	(4,018)	(4,018)
Trading EBITDA[(1)]		**1,810**	(1,241)	(1,207)
Exceptional costs	3	**(977)**	(1,221)	(1,221)
Share-based payments charge		**(247)**	(373)	(373)
Movement in fair value of investments	8	**9,236**	(4,973)	(4,973)
Impairment provision on loans receivable		**(70)**	-	-
Depreciation		**(40)**	(84)	(84)
Amortisation of intangible assets	7	**-**	(25)	(25)
Operating profit/(loss)		**9,712**	(7,917)	(7,883)
Finance income	4	**-**	34	-
Finance costs	4	**(52)**	(56)	(56)
Profit/(loss) on ordinary activities before taxation		**9,660**	(7,939)	(7,939)
Tax on profit/(loss) on ordinary activities	5	**(258)**	381	381
Profit/(loss) and total comprehensive income for the year		**9,402**	(7,558)	(7,558)
Profit/(loss) for the year attributable to:				
Owners of the parent		**9,062**	(7,558)	(7,558)
Non-controlling interests		**340**	-	-
		9,402	(7,558)	(7,558)
Earnings/(loss) per share				
Basic earnings/(loss) per share	6	**14.60p**	(0.22)p	(11.25)p
Diluted earnings/(loss) per share	6	**14.39p**	(0.22)p	(11.25)p

(1) earnings from trading activities before interest payable, tax, depreciation, amortisation, exceptional items, share-based payments and movements in fair value of investments.

Consolidated Statement of Financial Position

as at 31 August 2019

	Notes	**31 August 2019 £000**	31 August 2018 £000
Non-current assets			
Intangible assets	7	**11,416**	11,416
Property, plant and equipment		**113**	148
Financial assets at fair value through profit or loss	8	**30,845**	41,118
Loans receivable	9	**8,748**	182
		51,122	52,864
Current assets			
Trade and other receivables		**819**	1,044
Cash and cash equivalents		**21,454**	12,433
		22,273	13,477
Total assets		**73,395**	66,341
Current liabilities			
Trade and other payables		**(1,140)**	(1,506)
Income tax payable		**(258)**	-
Finance lease liabilities		**(21)**	(19)
Other financial liabilities		**(200)**	(194)
		(1,619)	(1,719)
Non-current liabilities			
Finance lease liabilities		**(38)**	(59)
Other financial liabilities		**(419)**	(619)
		(457)	(678)
Total liabilities		**(2,076)**	(2,397)
Net assets		**71,319**	63,944
Equity			
Share premium		**59,464**	59,464
Shares held in Employee Benefit Trust		**(5,559)**	-
Share-based payments reserve		**4,956**	6,052
Merger reserve		**(23,712)**	(23,712)
Retained earnings		**30,804**	19,790
Equity attributable to the owners of the parent		**65,953**	61,594
Non-controlling interests	10	**5,366**	2,350
Total equity		**71,319**	63,944

Consolidated Statement of Changes in Equity

for the year ended 31 August 2019

	Share premium £000	Shares held by Employee Benefit Trust £000	Share-based payments reserve £000	Merger reserve £000	Retained earnings £000	Total attributable to owners of the parent £000	Non-controlling interests £000	Total £000
Balance at 1 September 2017	**59,464**	**-**	**5,679**	**(23,712)**	**27,348**	**68,779**	**-**	**68,779**
Loss and total comprehensive loss for the year	**-**	**-**	**-**	**-**	(7,558)	(7,558)	-	(7,558)
Transactions with owners								
Share-based payments charge	-	-	373	-	-	373	-	373
Sale of NCI in subsidiary without a change in control	-	-	-	-	-	-	2,350	2,350
	-	-	373	-	-	373	2,350	2,723
Balance at 31 August 2018	**59,464**	**-**	**6,052**	**(23,712)**	**19,790**	**61,594**	**2,350**	**63,944**
Profit and total comprehensive income for the year	**-**	**-**	**-**	**-**	9,062	9,062	340	9,402
Transactions with owners								
Share-based payments charge	**-**	**-**	247	-	-	247	-	247
Transfer on exercise/ cancellation of share options	**-**	**-**	(1,343)	-	1,343	-	-	-
Sale of NCI in subsidiary without a change in control	**-**	**-**	-	-	609	609	2,866	3,475
Purchase of shares by EBT	-	(5,559)	-	-	-	(5,559)	-	(5,559)
Dividends paid to NCI	-	-	-	-	-	-	(190)	(190)
	-	(5,559)	(1,096)	-	1,952	(4,703)	2,676	(2,027)
Balance at 31 August 2019	**59,464**	**(5,559)**	**4,956**	**(23,712)**	**30,804**	**65,953**	**5,366**	**71,319**

Consolidated Statement of Cash Flows
for the year ended 31 August 2019

	Note	2019 £000	2018 £000
Cash flows from operating activities			
Cash used in operations	11	**(283)**	(1,850)
Corporation tax received		**-**	10
Net cash flows used in operating activities		**(283)**	(1,840)
Cash flows from investing activities			
Payments to acquire property, plant and equipment		**(5)**	(49)
Disposal of property, plant and equipment		**-**	6
Purchase of investments		**(4,684)**	(14,269)
Proceeds from disposal of investments		**24,193**	21,539
Loans advanced		**(11,030)**	(122)
Loans repayments received		**3,396**	39
Net cash flows from investing activities		**11,870**	7,144
Cash flows from financing activities			
Proceeds from sale of NCI in subsidiaries		**3,475**	2,350
Dividend paid to NCI		**(190)**	-
Purchase of shares by Employee Benefit Trust		**(5,559)**	-
Interest paid		**(52)**	(56)
Finance lease and other liabilities repaid		**(240)**	(240)
Net cash flows (used in)/from financing activities		**(2,566)**	2,054
Net increase in cash and cash equivalents in year		**9,021**	7,358
Cash and cash equivalents at beginning of year		**12,433**	5,075
Cash and cash equivalents at end of year		**21,454**	12,433

Notes to the Consolidated Financial Statements

1 Basis of preparation and accounting policies

The results for the year to 31 August 2019 have been extracted from the audited consolidated financial statements, which are expected to be published on the Group's website (www.mxccapital.com) shortly.

The financial information set out in this announcement does not constitute the Group's statutory financial statements for the year to 31 August 2019 but is derived from those financial statements.

This financial information has been prepared in accordance with applicable International Financial Reporting Standards as issued by the International Accounting Standards Board and adopted by the European Union (IFRS).

The auditors, Grant Thornton Limited, have reported on the accounts for the years ended 31 August 2019 and 31 August 2018; their reports in both years were (i) unqualified; (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under The Companies (Guernsey) Law, 2008.

The same accounting policies and methods of computation are followed as in the latest published audited accounts for the year ended 31 August 2018, which are available on the Group's website except for as described below:

Revenue

The Group initially applied IFRS 15 (Revenue from customer contracts) on 1 September 2018 retrospectively in accordance with IAS 8 without any practical expedients. The timing or amount of the Group’s fee income from contracts with customers was not impacted by the adoption of IFRS 15. The impact of IFRS 15 was limited to the enhanced disclosure requirements.

Revenue comprises fee income and interest income. The Board considers the interest income to be part of the trading activities of the Group and therefore it has been presented as a component of revenue.

Fee income

Fee income comprises the fair value of the consideration received or receivable for services provided in the ordinary course of the Group’s activities. Revenue is shown net of Value Added Tax where applicable and after eliminating sales within the Group.

Revenue arises mainly from the services rendered by the Group to its customers.

To determine whether to recognise revenue, the Group follows a 5-step process:

1 Identifying the contract with a customer
2 Identifying the performance obligations
3 Determining the transaction price
4 Allocating the transaction price to the performance obligations
5 Recognising revenue when/as performance obligation(s) are satisfied.

In each identified contract with a customer there are two distinct performance obligations: (a) the Group’s stand-ready obligation to render advisory activities as and when required which is referred to as the “Retainer fees”; (b) the Group’s obligation to render advice for specific corporate finance transactions which is referred to as the “Transaction revenue”. These fees are the Group’s primary source of fee income. These are considered to be distinct performance obligations as the customer can benefit from each service on its own and the Group’s promise to transfer each service to the customer is separately identifiable from other promises in the contract.

The recognition of the revenue is described below for each distinct performance obligation:

(i) Retainer fees

The Group has a stand-ready obligation to provide advisory services to customers as and when required. This performance obligation is in place for the life of the contract with the customer and satisfaction of this obligation is considered to be met on an ongoing basis as the scope of this arrangement is generally not considered reconcilable to input or output criteria to measure progress towards complete satisfaction of this obligation. For this reason, revenue is recognised straight-line over the performance of the contract via a fixed monthly retainer fee agreed as part of the contract. This fixed fee is specifically set out in the contract as the transaction fee allocated to this performance obligation. As the amount of work required to perform under these contracts does not vary significantly from month-to-month, the monthly billing provides a faithful depiction of the transfer of services. This is considered to align revenue recognition with the satisfaction of the stand-ready performance obligation. Accrued revenue is recognised when the revenue recognition criteria were met but in accordance with the underlying contract, the sales invoice has not been issued yet.

(ii) Transaction revenue

This income stream comprises fees in relation to the Group's transactional services, such as corporate finance deal fees. For each corporate transaction entered into by a customer, the Group has an obligation to provide advisory services including executing acquisitions and disposals. This obligation is satisfied at the point when the transaction has completed, being when the customer has received the full benefit of the advisory services rendered. The transaction price allocated is the variable fee specifically presented in the contract for advisory services. This price is variable as it is determined based on an agreed percentage of the enterprise value of any corporate transactions or capital raisings concluded. There is no accrual of the revenue and it is only recognised on the completion of the relevant transaction. As the transaction price is based on a fixed percentage of a known enterprise value, there are no significant judgements applied by management in recognising transaction revenue.

Interest income

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

When calculating the effective interest rate for financial instruments, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not expected credit losses.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Amortised cost and gross carrying amount

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any ECL allowance (or impairment allowance before 1 September 2018).

The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any ECL allowance.

As a result of the adoption of IFRS 9 in the period, the interest income calculated under the effective interest method is shown separately in the consolidated statement of profit or loss. The Board considers this interest income to be part of the trading activities of the Group and therefore the interest income calculated under the effective interest method has been presented as a component of revenue. The comparative figures have been restated to reflect this treatment.

Financial Instruments
The Group implemented IFRS 9 (Financial instruments) as of 1 September 2018 and has also considered the impact on the comparative results. The new standard includes revised guidance on the classification and measurement of financial instruments.

IFRS 9 introduces principle-based requirements for the classification of financial assets, using the following measurement categories: (i) Amortised cost; (ii) Fair value through other comprehensive income with cumulative gains and losses reclassified to profit or loss upon derecognition; and (iii) Fair value through profit or loss. IFRS 9 also introduces a new impairment model, the expected credit loss ("ECL") model.

The adoption of IFRS 9 has had no impact on the classification of the Group's financial assets. The Group's equity investments and warrants continue to be accounted for at fair value through profit or loss. In the case of the Group's other financial assets, these are held to collect the associated contractual cash flows, which are solely payments of principal and interest on the principal amount outstanding, and therefore these continue to be accounted for at amortised cost.

The Group now reviews the amount of credit loss associated with its financial assets based on forward looking estimates that take into account current and forecast credit conditions as opposed to relying on past historical default rates. Having assessed the requirements according to the new standard, the Group has concluded that no significant impairment to the carrying values of the assets was required in any prior period.

Equity
Equity comprises the following:

- Share premium, representing the fair value of consideration received for shares, net of expenses of the share issue;
- Shares held by Employee Benefit Trust, representing the cost price of investments in the Company's own shares;
- Share-based payments reserve, representing the cost of equity-settled share-based payments until such share options and awards are exercised or lapse;
- Merger reserve, representing the excess of the Company's cost of investment over the nominal value of MXC Capital (UK) Limited's shares acquired using the principles of predecessor value method accounting;
- Retained earnings, representing the aggregate of all current and prior period retained profits and losses.

Employee Benefit Trust
The Group has established the MXC Employee Benefit Trust (the "EBT"), the purpose of which is to provide benefits through a trust to such employees whether directly or by way of entering into arrangements with the Group in support of its Employee Share Scheme. The assets and liabilities of the EBT are included in the Group's consolidated statement of financial position. Investments in the Group's own shares are shown as a deduction from equity.

Critical accounting estimates and judgements
Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and judgements and their underlying assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenue and expenses during the periods presented. Actual results may differ significantly from the estimates, the effect of which is recognised in the period in which the facts that give rise to the revision become known. The following paragraphs detail the critical accounting estimates and judgements the Group believes to have the most significant impact on the annual results under IFRSs.

(i) Definition of business activities
The Board has exercised judgement in relation to the definition of the Company's business activities. The Board has assessed the Company's business model in detail against the criteria set out in IFRS 10 and is of the opinion that, although certain of its subsidiaries are investment holding companies, the Company itself does not meet the definition of an 'Investment Company' under IFRS 10, due, in part, to its broader advisory and corporate finance proposition. All subsidiaries of the Company, including those which are investment holding companies, are therefore consolidated into the Group financial statements as described elsewhere in these accounting policies.

(ii) Accounting for investments
Certain subsidiaries of the Company hold investments in investees which are classed as associates and joint ventures as the subsidiary companies are deemed to hold significant influence over these investees. In the opinion of the directors, these subsidiary companies operate akin to venture capital companies and therefore the Group has taken advantage of the exemptions from applying the equity method to account for associates and joint ventures available under IAS 28 and has designated such investments as fair value through profit or loss on initial recognition. In the opinion of the Board this gives a true and fair view of the Group's operations and financial position to shareholders.

(iii) Fair value measurement of investments
The Group holds investments in the form of quoted and unquoted securities and warrants measured at fair value. The fair value of these investments is estimated at the reporting period end. Estimated fair values may vary from actual prices that would be achieved in an arm's length transaction at the reporting date.

(iv) Fair value measurement of share-based payments
The fair value of the Group's share-based payments is a significant estimate. Estimated fair values may vary from actual prices that would be achieved in an arm's length transaction at the reporting date.

(v) Impairment assessment
The Group tests annually whether goodwill and intangible assets have suffered any impairment, in accordance with the accounting policy for impairment. The recoverable amounts of cash generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

(vi) Recoverability of loans receivable, trade and other receivables

The Group has outstanding loans receivable. Other than in respect of the expected credit loss provision, the directors do not believe there are any signs of impairment in respect of the loans at the reporting period end. Given the quantum of the loans and the timescales until redemption the recoverability of these loans is a significant estimate.

(vii) Recognition of retainer fees

The revenue from the provision of advisory services is recognised over time by the billing of the annual fee on a monthly basis. The timing of the satisfaction of performance obligations and in assessing that this method faithfully depicts the transfer of services requires the application of judgement by management.

2 Segmental analysis

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Makers ("CODM"). The CODM has been identified as the Board of Directors.

The Board is responsible for strategic decision making and for assessing the performance of the operating segments. The operating segments are defined by distinctly separate product offerings or markets. The CODM assesses the performance of the operating segments based on the Trading EBITDA generated by each segment. Assets and liabilities per segment are not monitored by the CODM and therefore that analysis is not provided below.

All revenue originates from the United Kingdom or Guernsey. Third party revenue is detailed in the segmental analysis as are charges for professional services rendered between the Group's operating segments. Recharges of costs between segments are excluded from the revenue analysis, in line with the internal reporting to the CODM.

During the year the CODM reassessed the Group's operating segments and concluded that the Group is now comprised of the following main operating segments:

Transactional segment – this segment comprises the Group's FCA regulated corporate finance and related services, together with the Group's advisory and consultancy activities, including originating and advising on investment opportunities for the Group, and providing operational and strategic guidance to clients.

Central – all other activities of the Group in performing its principal activity of advisor to and investor in technology companies, including the management of its investments, are considered together by the CODM.

Results for the year ended 31 August 2019

	Transactional £000	Central £000	Inter-segment transactions £000	Total £000
Revenues:				
Third party fee income	1,811	626	-	2,437
Third party interest income	-	819	-	819
Inter-segment	1,814	-	(1,814)	-
Total revenue	**3,625**	**1,445**	**(1,814)**	**3,256**
Trading EBITDA[(1)]	**2,434**	**(624)**	**-**	**1,810**
Exceptional costs	(512)	(465)	-	(977)
Share-based payments charge	(247)	-	-	(247)
Depreciation	(40)	-	-	(40)
Impairment provision on loans receivable	-	(70)	-	(70)
Movement in fair value of investments	-	9,236	-	9,236
Operating profit	**1,635**	**8,077**	**-**	**9,712**
Finance costs	(4)	(48)	-	(52)
Profit before taxation	**1,631**	**8,029**	**-**	**9,660**

(1) earnings from trading activities before interest paid, tax, depreciation, amortisation, exceptional items, share-based payments and movements in fair value of investments.

During the year, revenue from five of the Group's customers each represented more than 10% of total revenue. Revenue related to those customers was £1,039,000, £756,000, £398,000, £387,000 and £371,000 respectively. The revenue in respect of these customers was generated from both of the Group's operating segments.

Results for the year ended 31 August 2018

	Transactional £000	Central £000	Inter-segment transactions £000	Total £000
Revenues:				
Third party fee income	1,034	-	-	1,034
Third party interest income	-	34	-	34
Inter-segment	1,029	-	(1,029)	-
Total revenue	**2,063**	**34**	**(1,029)**	**1,068**
Trading EBITDA[(1)]	**558**	**(1,765)**	**-**	**(1,207)**
Exceptional costs	(808)	(413)	-	(1,221)
Share-based payments charge	(373)	-	-	(373)

Depreciation	(32)	(52)	-	(84)
Amortisation of intangible assets	(25)	-	-	(25)
Movement in fair value of investments	-	(4,973)	-	(4,973)
Operating loss	**(680)**	**(7,203)**	**-**	**(7,883)**
Finance costs	(3)	(53)	-	(56)
Loss before taxation	**(683)**	**(7,256)**	**-**	**(7,939)**

[(1)] earnings from trading activities before interest paid, tax, depreciation, amortisation, exceptional items, share-based payments and movements in fair value of investments.

During the year ended 31 August 2018, revenue from four of the Group's customers each represented more than 10% of total revenue. Revenue related to those customers was £273,000, £220,000, £186,000 and £107,000 respectively. The revenue in respect of each of these customers was generated from the Transactional segment.

3 Exceptional costs

Included in total payroll costs is £977,000 (2018: £1,221,000) in respect of staff bonuses and the related social security expense. The bonuses were paid as a result of the profit realised by MXC on the exit of certain of the Group's investments rather than as a result of the trading performance of the Group. Given this and the size of the total bonus expenses, they are therefore considered exceptional in nature.

4 Finance income and costs

	2019	2018
	£000	£000
Finance income		
Interest on loans receivable	**796**	34
Interest in cash and cash equivalents	**22**	-
Other interest	**1**	-
	819	34

	2019	2018
	£000	£000
Finance cost		
Interest on finance lease obligations	**5**	3
Interest on other financial liabilities	**47**	53
	52	56

5 Taxation

(a) Tax on loss on ordinary activities

	2019	2018
	£000	£000
Current tax		
Current year charge	**258**	-
Adjustment in respect of prior periods	**-**	(34)
	258	(34)
Deferred tax		
Movement in provision re fair value of investments	**-**	(347)
Total tax charge/(credit)	**258**	(381)

The Company is eligible for exemption from taxation in Guernsey under the provision of the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989, and has paid the annual exemption fee of £1,200.

(b) Reconciliation of the total income tax charge

	2019	2018
	£000	£000
Profit/(loss) on ordinary activities before taxation	**9,660**	(7,939)
UK corporation tax rate of 19.0% (2018: 19.0%) payable on UK profit/(loss)	**258**	-
Prior year adjustment to current income tax	**-**	(34)
Deferred tax credit re temporary differences	**-**	(347)
Total tax charge/(credit)	**258**	(381)

(c) Deferred tax liability

	£000
At 1 September 2017	347
Credit to income statement	(347)
At 31 August 2018 and 31 August 2019	-

6 Earnings per share

Earnings per share ("EPS") is based on the profit or loss attributable to shareholders of the parent company divided by the weighted average number of ordinary shares in issue during the year, excluding the shares held by the EBT.

The reconciliation of the weighted average number of shares for the purposes of diluted earnings per share to the weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:

	2019 Number
Weighted average shares used to calculate basic EPS	62,073,560
Dilutive effect of share incentive awards	908,121
Weighted average shares used to calculate diluted EPS	62,981,681

On 15 February 2019, the Company completed a share capital consolidation, being the consolidation of every 50 existing Ordinary shares of no par value each into 1 Ordinary share of no par value. For comparative purposes, the weighted average number of ordinary shares in issue has been restated as if the share capital consolidation had occurred prior to the 2018 reporting period end as follows:

	2018 Loss per share (pence)	2018 Loss £000	2018 Weighted average number of ordinary shares
Basic and diluted loss per share (reported)	**(0.22)p**	**(7,558)**	3,360,167,484
Consolidation of share capital (50:1)		-	(3,292,964,135)
Basic and diluted loss per share (restated for comparative purposes)	**(11.25)p**	**(7,558)**	67,203,349

In 2018, the weighted average number of ordinary shares for the purpose of calculating the basic and diluted measures was the same. This is because the outstanding share incentives would have the effect of reducing the loss per ordinary share and therefore would be anti-dilutive under the terms of IAS 33.

7 Intangible assets

	Goodwill £000	**Customer contracts and related relationships £000**	**Total £000**
Cost			
At 1 September 2017	11,416	73	11,489
At 31 August 2018 and 2019	**11,416**	**73**	**11,489**
Amortisation			
At 1 September 2017	-	48	48
Charge for the year	-	25	25
At 31 August 2018 and 2019	**-**	**73**	**73**
Net book value			
At 31 August 2018 and 2019	**11,416**	**-**	**11,416**

The amortisation charge is included in the consolidated statement of profit or loss within administrative expenses.

Goodwill
Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Goodwill is supported by calculating the discounted cash flows arising from value-in-use calculations based on each applicable cash generating unit ("CGU") as detailed below:

Capital Markets CGU
The goodwill arising from the acquisition of MXC Capital Markets LLP of £5,927,000 is allocated to this CGU. The value-in-use calculations use cash flow projections based on financial budgets approved by management until 31 August 2024. A terminal value calculation has been applied, with a terminal value growth rate assumed of 2%.

Investments CGU
This goodwill arising from the acquisition of MXC Holdings Limited of £5,489,000 is allocated to this CGU. The value-in-use calculations use cash flow projections over a 5 year period based on management-approved assumptions regarding the time an investment will be held for and the growth in value achieved. Exit multiples of up to 2.4 times are assumed based on historic averages achieved.

In the case of both CGUs, a pre-tax discount rate of 8.0% has been applied to the extrapolated cash flows, which reflects management's risk-adjusted estimate of the weighted average cost of capital.

A reasonably possible adverse movement in any of the above key assumptions made would not give rise to impairment.

8 Financial assets at fair value through profit or loss

	Quoted company investments £000	Private company investments £000	Warrants £000	Total £000
Cost				
At 1 September 2017	42,796	7,746	2,186	52,728
Additions	8,970	5,932	-	14,902
Disposals of investments and exercise of warrants	(19,684)	(193)	(1,662)	(21,539)
Movement in fair value of investments	(5,392)	-	419	(4,973)
At 31 August 2018	**26,690**	**13,485**	**943**	**41,118**
Additions	124	4,560	-	4,684
Disposals of investments and exercise of warrants	(23,753)	-	(440)	(24,193)
Movement in fair value of investments	12,057	(2,318)	(503)	9,236
At 31 August 2019	**15,118**	**15,727**	**-**	**30,845**

The Group's investments relate to equity securities and warrants held in both AIM quoted and unquoted, private companies. These investments are accounted for at fair value through profit or loss and presented as financial assets at fair value through profit or loss in the consolidated statement of financial position.

9 Loans receivable

	2019	2018
	£000	£000
Loan notes	**8,759**	-
Less: provision for impairment of loan notes	**(70)**	-
Loan notes – net	**8,689**	-
Other loans	**59**	182
	8,748	182

10 Subsidiaries with material non-controlling interests

The Group includes two subsidiaries, MXC Capital (UK) Limited and MXC JV Limited, with material non-controlling interests ("NCI").

MXC JV Limited
At 31 August 2019 an NCI held 50% of the ownership interests and none of the voting rights of MXC JV Limited, a Guernsey based company. The accumulated NCI at 31 August 2019 was £3,575,000. The losses incurred in MXC JV Limited during the year are not considered material to allocate to the NCI. No dividends were paid to the NCI.

MXC Capital (UK) Limited
In September 2018, an NCI acquired 25% of the ownership interests and 25% of the voting rights of MXC Capital (UK) Limited, a UK based company ("MXC UK"). This was the ownership interest of the NCI at 31 August 2019. The NCI acquired its ownership interest in MXC UK as the holding company of MXC's UK trading entities. For the purposes of presenting information on the subsidiary that enables users to understand the interest that non-controlling interests have in the Group's activities and cash flows it is therefore necessary to look at group headed by MXC UK. No statutory consolidation is required for this group.

The accumulated NCI at 31 August 2019 was £1,791,000 (2018: £nil). Profits of the MXC UK group amounting to £340,000 (2018: £nil) were allocated to the NCI during the year. A dividend of £190,000 (2018: £nil) was paid to the NCI.

11 Net cash flows from operating activities

	2019	2018
	£000	£000
Profit/(loss) on ordinary activities before taxation	**9,660**	(7,939)

Adjustments for:		
Movement in fair value of investments	**(9,236)**	4,973
Profit on disposal of PPE	**-**	(40)
Depreciation	**40**	84
Amortisation	**-**	25
Share-based payment charge	**247**	373
Net finance (income)/charges	**(496)**	22
Impairment provision on loans receivable	**70**	-
Increase in trade and other receivables	**(77)**	(255)
(Decrease)/increase in trade and other payables	**(491)**	907
Cash used in operations	**(283)**	(1,850)

12 Subsequent events

On 25 October 2019 the number of exercisable voting rights in the Company was reduced to 65,742,407 following the purchase by the Company of 1,460,942 Ordinary Shares by means of a tender offer. All shares purchased by the Company under the tender offer have been cancelled.