Tatton Asset Management

Resilience proven & growth trajectory intact

16th June 2020

Tatton passed the March 2020 market-crash stress-test with flying colours. Financial advisers continued to trust it with their clients' money – net fund inflows were £86m in March (just under the FY20 average of £94m pm) – at a time when many funds saw record outflows. Over FY20 Tatton recorded £1.1bn of inflows, and despite the market bottom nearly coinciding with the 31-Mar year-end, AUM closed 10% above FY19 on £6.7bn. Revenue grew 22% to £21.4m; adjusted operating profit was up 24% to £9.1m; PAT jumped 72% from £4.9m to £8.4m; and full-year dividend increased 14% from 8.4p to 9.6p, a yield of 3.3%. Tatton remains debt-free with £12.8m of net cash.

Client inflows have continued post year-end which, in combination with the recovery in markets, **has seen AUM grow 10% in two months to £7.4bn on 31 May 2020**. **Tatton's longer-term growth trajectory appears firmly intact**, however further market volatility could cause significant fluctuations in AUM levels over the shorter-term.

Why we like Tatton

Market tailwinds coupled with a proven market leading proposition should see continued top-line growth. Money managed by IFAs via platforms is growing rapidly – up from £311bn[1] in 2017 to £530bn[2] by Sep 2019. In particular, they are flocking to discretionary fund management (DFM) platforms (Tatton's model) – with assets up from £5bn in 2011[1] to £48bn[3] in mid-2019. Tatton has proven its ability to not only win new IFA clients, but to gain a larger share of their AUM over time.

Operational leverage should see margins improve further as the business scales.

There is valuation upside if Tatton continues to deliver. **Its PER of 22.5 is below high performing asset managers - and Tatton is a 1st quartile performer on most metrics: AUM inflows, revenue growth, operating margin, EPS growth and ROE.** It's current 295p price is roughly in line with our discounted cash flow valuation of 300p.

Key Financials

Y/E 31 March	FY 2018A	FY 2019A	FY 2020A	FY 2021E	FY 2022E
AUM end-of-period, £bn	4.9	6.1	6.7	8.1	9.4
Revenue, £m	15.5	17.5	21.4	22.0	24.4
Operating profit (adj), £m	6.5	7.3	9.1	9.6	10.8
Operating margin (adj)	42.1%	41.7%	42.5%	43.6%	44.3%
EPS basic (adj), p	9.6	11.0	13.1	14.3	16.0
Div, p	6.6	8.4	9.6	10.0	11.2
Yield	2.2%	2.8%	3.3%	3.4%	3.8%
PER	31.6	26.8	22.5	20.7	18.4
Net assets, £m	13.6	15.3	17.8	20.3	23.3
Net cash, £m	10.6	12.2	12.8	15.0	18.2

Source: Company Historic Data, ED estimates

[1] *FCA, Investment Platforms Market Study, March 2019*
[2] *Platforum, UK Adviser Platforms Issue 40*
[3] *Platforum, DFM Distribution Dynamics, July 2019*

Company Data

EPIC	TAM
Price (last close)	295p
52 week Hi/Lo	296p/170p
Market cap	£165.5m

Share Price, p

Source: ADVFN

Description

Tatton Asset Management was founded in 2007 and serves smaller, UK-based Independent Financial Advisers via two distinct business units: Investment Management (discretionary fund management or DFM) delivered via WRAP platforms, and Adviser Support Services (regulatory and compliance consulting and outsourcing, plus mortgage and protection insurance aggregation).

Aggregate AUM at end May 2020 was £7.4bn.

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Key financial and strategic metrics sharply up

Like-for-like revenue grew 15% to £20.2m, up from £17.5m in FY19, although IFRS revenue was even higher at £21.4m as a result of a VAT refund of £1.2m, relating to a ruling which confirmed that Tatton's DFM fees were VAT-exempt.

Revenue growth was once again driven by the investment management business (Tatton), which grew 27% from £12.5m to £15.9m, and now makes up 75% of group revenue.

AUM growth was the primary driver, underpinned by £1.129bn of net inflows (2019: £1.106bn) and boosted by strong financial markets in the period up to Feb 2020, when AUMs peaked at £7.8bn. Also of significance, was the 34% growth in the number of client firms to 595, from 445 at the end of FY19.

New client numbers received a leg-up from Tatton's strategic relationship with Tenet Group, one of the UK's largest adviser support groups. In June 2019, Tatton won a three-year mandate to provide a Managed Portfolio Service through Tenet (available to 474 IFA clients of Tenet) which results in an easier and more efficient client acquisition process among these IFAs. To date, this deal has resulted in 81 new clients, with £226m of AUM added.

Tatton also executed the acquisition of Sinfonia Asset Management (SAM) in FY20, adding £135m in AUM.

Paradigm, the IFA regulatory consulting and mortgage aggregation business, also put in a solid growth performance. Revenue grew 10% from £4.9m to £5.4m. Consulting member firms increased slightly from 390 to 394, and mortgage firm membership grew 11% to 1,544 (FY19: 1,392). Gross mortgage lending increased 10% from £8.4bn to £9.9bn.

Adjusted operating profit grew 24% from £7.3m to £9.1m, with adjusted operating margin increasing steadily from 41.7% to 42.5% as the business scales. Adjusted operating profit is probably the best measure of the underlying business profitability and eliminates exceptional items, share-based payment costs and the amortisation of intangibles.

Non-adjusted operating profit jumped from £5.93m to £10.3m but was distorted by the inclusion of £1.6m of exceptional income – a DFM fee VAT refund for the three prior financial years (the FY20 adjustment was recognised as exceptional revenue – see above). This adjustment also resulted in an abnormal boost to basic EPS, which grew 72% from 8.7p to 15.0p.

Fully diluted adjusted EPS – a better measure of the underlying performance of the business from a shareholder's perspective – grew 19.8% from 10.0p to 12.0p.

The balance sheet position of the group also improved, with £9.8m of cash generated from operating activities before exceptional items (FY19: £8.0m) and **net cash increasing from £12.2m to £12.8m, despite spending £2.0m on the SAM acquisition and £1.0m purchasing own shares through an employee benefit trust.** Tatton also has access to a £1.5m overdraft facility.

A final dividend of 6.4p has been declared (FY19: 5.6p) in addition to the interim dividend of 3.2p (FY19: 2.8p), bringing the full-year dividend to 9.6p (FY19: 8.4p) – meaning that the shares **yield an attractive 3.3%.**

Tatton: summary data		
Y/E 31 March	**FY19**	**FY20**
AUM, £bn	6.1	6.7
AUM from acquisition £bn		0.135
Growth, y-o-y	24%	10%
No of member firms	445	595
Revenue, £m	12.5	15.9
Share of total firm rev	71%	75%
Adj op profit, £m	7.4	8.9
Adj op profit margin	58.9%	56.0%
Share of firm adj op profit*	80%	81%

** Based on 100% = sum of business unit adjusted operating profits i.e. excludes 'central' costs*
Source: Company historic data

Paradigm: summary data		
	FY19	**FY20**
No of member firms (consulting)	390	394
No of member firms (mortgages)	1,392	1,544
Gross mortgage lending, £bn	8.4	9.9
Revenue, £m	4.9	5.4
Share of total firm rev	29%	25%
Adj op profit, £m	1.8	2.1
Adj op profit margin	36.7%	39.2%
Share of firm adj op profit*	20%	19%

** Based on 100% = sum of business unit adjusted operating profits i.e. excludes 'central' costs*
Source: Company historic data

Positive outlook, but volatility likely

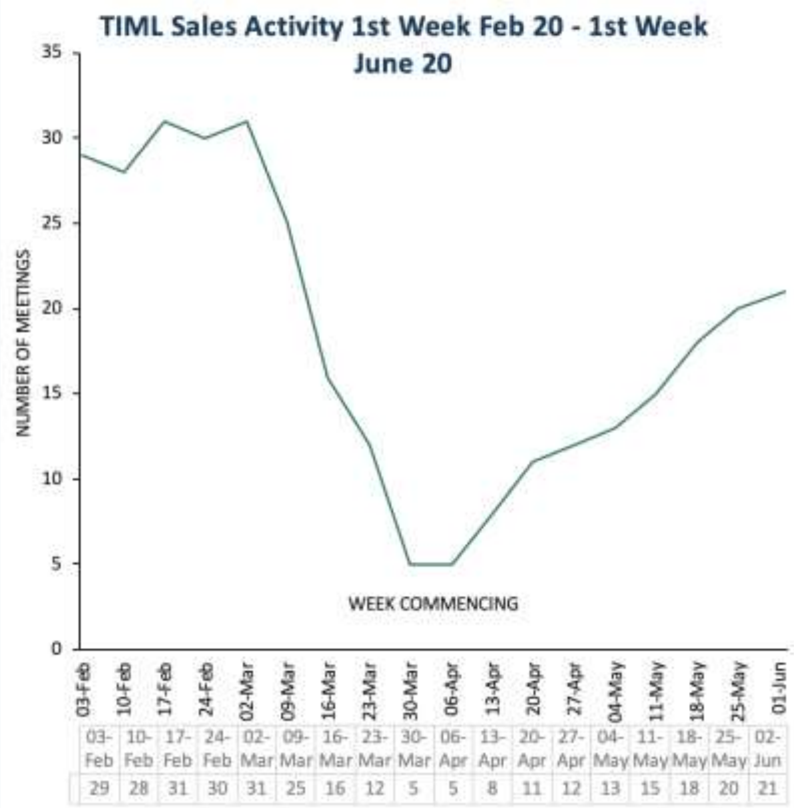
In our initiation note on Tatton in Oct 2019, we wrote: "*One business-specific key risk that investors should bear in mind is the impact that a significant downturn in financial markets could have. While key individuals in the business have decades of experience and have navigated market cycles, Tatton's Asset Management business has not been through a significant downturn, and the reaction of clients to such an event – such as withdrawing funds – is unknown.*"

Tatton has now been through a significant downturn. And although we do not believe the market impact of the Covid-19 pandemic is over, with further market volatility and more tests of clients' ability to avoid panicking still likely, **Tatton's clients have not withdrawn funds en-masse. Indeed, they have done the opposite** and continued to trust Tatton with their investments, evidenced by Tatton recording net inflows right through the last few months of volatility (when many funds experienced record net outflows)[4]**.**

Inflows for FY20 averaged £94m per month, and while inflow levels have certainly taken a hit (as expected) – with April and May 2020 recording average inflows of £52m – this is more of a small blip in the context of Tatton's longer-term growth trajectory. Management expect inflows in H2 2021 to return to normal levels.

This view is backed up by tracking IFA client engagement activity. From the chart below, it can be seen that the number of weekly meetings with IFAs by the sales team fell dramatically during March due to lockdown (with a subsequent dip in inflows in April and May), **but is now recovering strongly**. We would expect this pick-up to correlate with a recovery in inflows.

IFA activity during lockdown



Source: Tatton

We believe the fundamental building blocks are in place for Tatton to continue to robustly grow AUM.

From a market perspective, in our opinion the positive momentum of individuals turning to IFAs to manage their investments will continue – not least because they are more likely to seek professional investing advice in uncertain times. Indeed, Tatton reports that eight out of ten advisers have increased their client numbers over the past year. We also believe that the momentum of advisers turning to DFM platforms will continue – as they steer clear of the

[4] Refinitiv Lipper (U.S. Mutual Funds & ETPs Q1 2020 Snapshot): "Assets Under Management Plunge $3.2 Trillion." Morningstar Research, US Fund Flows: "In March, long-term funds suffered record monthly outflows. Investors pulled $326 billion from mutual funds and exchange-traded funds. In contrast, during the global financial crisis monthly outflows peaked in October 2008 at $104 billion. Money market funds—perceived as safe havens but often short-term parking spaces for cash as well—gathered a record $685 billion."

regulatory and risk burden (in a MiFID II environment) of selecting investments for end-clients themselves and focus more on providing financial advice and planning services.

From a Tatton perspective, we are confident that it has the tools in place to take full advantage of this market momentum:

- **Its sales process continues to be successful in winning new IFA clients** – client numbers jumped 34% from 445 to 595 in FY20, and the UK has over 5,500 directly authorised adviser firms, leaving significant scope for further growth.
- **It has a huge opportunity to grow AUM per IFA** – on average, Tatton's IFA clients place £40m through platforms, but Tatton's average AUM per IFA is £11m. As IFAs typically increase their AUMs with Tatton over time, and with Tatton now having a large cohort of 'new' clients, this migration of assets over time should fuel growth in itself (without having to win new clients). To illustrate the opportunity, Paradigm (consulting) clients, which have typically been clients of the group longer, have average AUMs with Tatton of around £23m. But non-Paradigm clients, which have typically been clients of the group for a shorter period, have £6m. If all existing clients grew to this £23m average, it would translate to an additional **£7.2bn of AUM** without winning any new clients.
- **Further corporate mandates could accelerate new client wins** – the Tenet Group mandate alone has resulted in 81 new clients in less than a year, and other similar deals are being pursued by Tatton to replicate this success.
- **Further acquisitions could boost AUMs** – the SAM acquisition provided £135m of additional AUM in FY20 and it is possible that the market turmoil of early 2020 could present further opportunistic acquisition opportunities.

All of these growth opportunities are underpinned by Tatton's market-leading offering to IFAs.

The most important criteria advisers use to select a DFM are fee levels and investment performance[5]. Tatton is a leader in both. It has the lowest DFM (on-platform) charges in the UK market and has also delivered an impressive investment performance, with all core strategies outperforming against the relevant benchmarks over the longer term (green shading depicts outperformance versus benchmark).

TIML Fund Performance: long-term 2013-2020 (%) in core product set

	TIML Active	TIML Tracker	TIML Hybrid	IA Sector*
Defensive	**4.3**	**4.6**	**4.4**	3.5
Cautious	**5.4**	**5.4**	**5.4**	4.2
Balanced	**6.1**	**6.1**	**6.2**	5.1
Active	**6.9**	**7.0**	**7.0**	6.0
Aggressive	**7.1**	**7.6**	**7.4**	6.0

(1/1/2013 - 31/03/2020, annualised, after DFM charge and fund costs)
** IA – Investment Association managed fund peer group with comparable asset allocation characteristics*
Source: Tatton Asset Management - Investor and Analyst Presentation June 2020

The outlook for the Paradigm consulting business is stable. This is a mature business with modest growth prospects, but strategically important. The deep relationships formed with IFAs are an important source of market insight, which helps with new service and product

[5] Platforum, DFM Distribution Dynamics, July 2019

design across the group. We believe IFAs are likely to maintain or increase their reliance on quality compliance outsourcing and consulting. Paradigm has set a target of increasing its number of clients to 418 by the end of FY21 (FY20: 394).

The Paradigm mortgage and protection insurance businesses are growing in terms of members, but mortgages are likely to experience a near-term downturn in the wake of the Covid-19-induced shock to the residential mortgage market.

Paradigm mortgages increased memberships by 11% to 1,544 from 1,392 over the year. And it is targeting further growth – looking to increase the membership base to 1,688 by the end of FY21.

However, a recession, a jump in unemployment, a large cohort of workers placed on furlough with reduced incomes, and a fall in property prices will hurt, and visibility on any potential recovery in the housing market is limited at this stage. But a bad patch for Paradigm mortgages will have a fairly limited impact on the overall group - as mortgage and protection insurance services combined made up less than 14% of group revenue and around 19% of group adjusted operating profit in FY20. Paradigm reports activity levels in this market starting to pick up momentum again, but nowhere near 'normal' levels e.g. social distancing rules make some activities such as viewings and valuations more difficult.

The protection insurance business grew strongly, with protection insurance members up 24% over the year from 535 to 662. Paradigm is targeting growing this to 686 by the end of FY20.

With strong growth prospects for the combined group, we see further potential to increase the operating margin of the group as it scales. This has already been evident. Between FY17 (when AUMs stood at £3.9bn) and FY20 (when AUMs reached £6.7bn), the adjusted operating margin of the group increased **from 38% to 43%.**

On the basis of the opportunities above, we estimate that the group can grow revenues to £31m in five years and adjusted operating profits to around £14m.

Five-year forecasts						
Year-end 31 March	**2020 A**	**2021 E**	**2022 E**	**2023 E**	**2024 E**	**2025 E**
AUM (£bn)	**6.7**	**8.1**	**9.4**	**10.8**	**12.2**	**13.7**
Growth	9.6%	21.3%	16.4%	14.7%	13.3%	12.2%
Total revenue (£m)	**21.4**	**22.0**	**24.4**	**26.6**	**28.6**	**30.7**
Growth	22.0%	3.2%	10.8%	8.7%	7.7%	7.3%
Admin expenses (£m)	**12.3**	**12.4**	**13.6**	**14.7**	**15.8**	**16.9**
Growth	20.4%	1.2%	9.3%	8.0%	7.5%	7.1%
Operating profit, adj (£m)	**9.1**	**9.6**	**10.8**	**11.9**	**12.8**	**13.8**
Growth	24.2%	5.9%	12.7%	9.7%	7.9%	7.5%
Operating margin, adj	42.5%	43.6%	44.3%	44.7%	44.8%	44.9%
Profit after tax (£m)	**8.4**	**6.9**	**7.9**	**8.7**	**9.5**	**10.3**
Growth	72.2%	-17.2%	14.1%	10.6%	8.6%	8.1%
EPS basic adj (p)	**13.1**	**14.3**	**16.0**	**17.5**	**18.9**	**20.1**
Growth	19.2%	11.8%	12.2%	9.4%	7.7%	6.7%
Dividend (p)	**9.6**	**10.0**	**11.2**	**12.3**	**13.2**	**14.1**
Yield	2.8%	3.3%	3.4%	3.8%	4.2%	4.5%
Net assets (£m)	**17.8**	**20.3**	**23.3**	**26.6**	**30.1**	**33.8**
Growth	16.3%	14.0%	15.2%	14.0%	13.0%	12.3%
Net cash (£m)	**12.8**	**15.0**	**18.2**	**21.9**	**25.7**	**29.8**
Growth	4.6%	17.7%	21.2%	20.2%	17.6%	15.9%
Valuation benchmarks						
PE Ratio (on adj, earnings)	22.5	20.7	18.4	16.8	15.6	14.6
Price to book	9.3	8.1	7.1	6.2	5.5	4.9
Share price (p)	**295**					

Source: Company historic data and ED estimates

Valuation upside

Our primary basis of valuation is based on the discounted cash flow method. Using the five-year projections above, and assuming the business is sold at a PE multiple of 20 (only just above the peer-group median, where Tatton is a 1st quartile performer) and a discount rate of 8%, **we currently value Tatton at 300p, just higher than the current market price of 295p.**

We also believe the primary assumptions of AUM inflows of around £1bn per year could prove conservative, given the resilience of Tatton's recent inflows in a highly volatile market. Our market movement assumption of 4% per year is more uncertain, but if markets sustain a recovery this could also prove conservative. However, the potential for substantial downside also exists.

We have also looked at Tatton's valuation on a peer-comparison basis and believe that on this basis Tatton appears undervalued.

In the asset management sector, top performers (especially those with the strongest AUM inflows - note the clear correlation between AUM inflows and PE ratios in the chart below) currently command PE multiples of 30 and above. Laggards are valued with PE multiples of 10 or less. Tatton is positioned just above mid-table when it comes to PE ratio, but is a top quartile performer on AUM inflows and AUM growth.

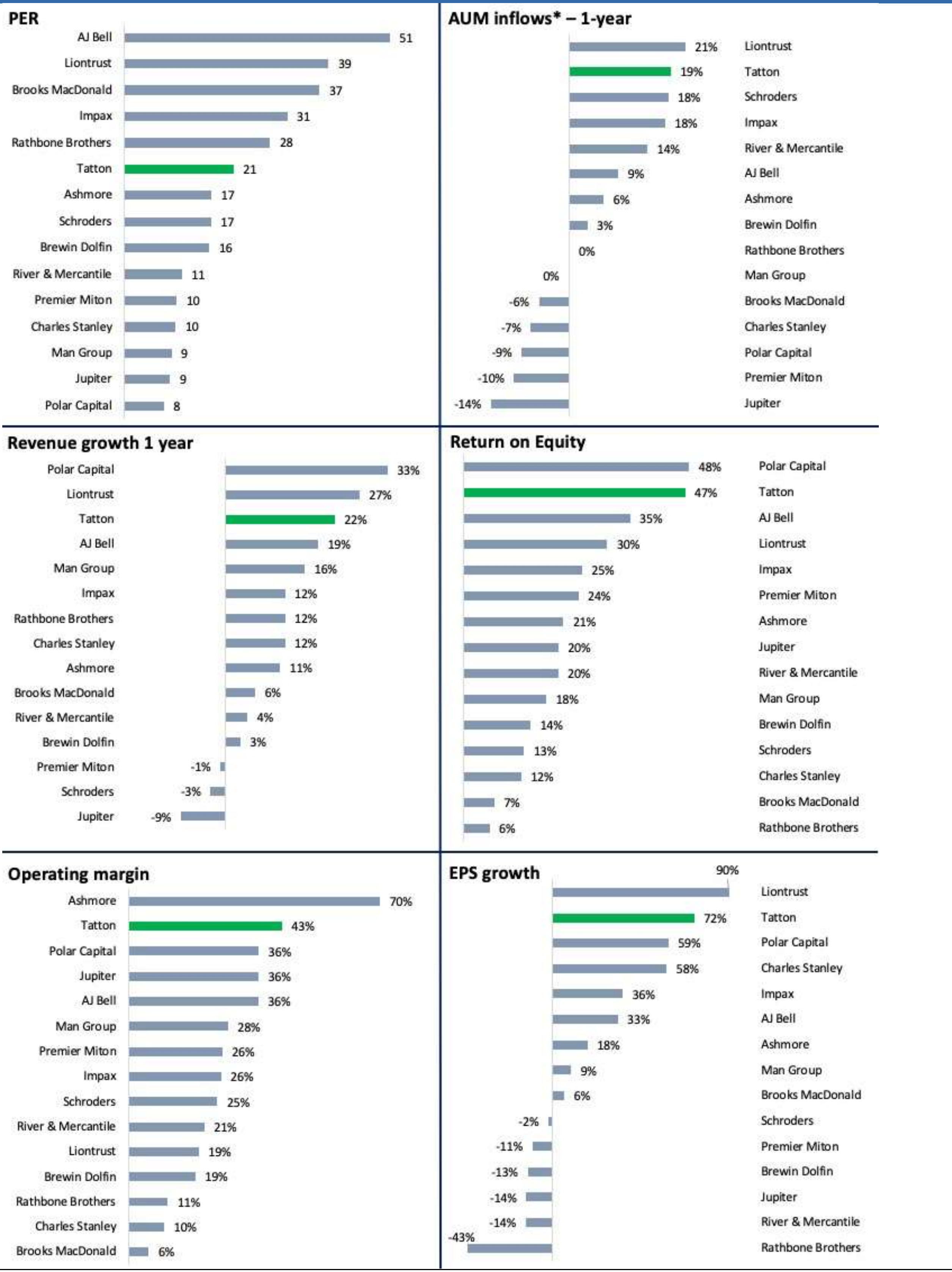
Peer group comparison - Valuation multiples and AUM growth/inflows

Valuation multiples: Top bar = PE Ratio; bottom bar = price-to-book ratio	PE Ratio	Price-to-book	AUM, bn	12m AUM growth	AUM inflows as % of opening AUM
AJ Bell	51	18.1	£48.3	1%	9%
Liontrust	39	12.1	£16.1	5%	21%
Brooks MacDonald	37	2.9	£12.2	-13%	-6%
Impax	31	7.9	£14.4	9%	18%
Rathbone Brothers	28	1.6	£35.9	-15%	0%
Tatton	21	8.0	**£6.7**	7%	19%
Ashmore	17	3.8	$76.8	-10%	6%
Schroders	17	1.8	£470.5	9%	18%
Brewin Dolfin	16	2.5	£41.4	-9%	3%
River & Mercantile	11	2.4	£40.5	12%	14%
Premier Miton	10	3.8	£9.1	-35%	-10%
Charles Stanley	10	1.2	£20.2	-16%	-7%
Man Group	9	1.6	$104.2	-7%	0%
Jupiter	9	1.8	£35.0	-21%	-14%
Polar Capital	8	4.0	£12.2	-12%	-9%

Source: ADVFN, Company reports and trading updates, ED analysis
AUM as at 31 March 2020 except Rathbone (5 Apr 2020)
AUM growth and inflows excludes AUMs added through acquisitions)
Valuation multiples as at 10 June 2020 - PE ratio differs slightly from ED calculation which uses adjusted basic EPS

Moreover, Tatton is a top-two or top-three performer on nearly every metric we compared with the peer group – including AUM inflows, revenue growth, return-on equity, operating margin and EPS growth (see chart overleaf) – and we see no reason why it shouldn't command a PE multiple similar to other top performers i.e. above 30.

Peer group comparison – valuation and fundamental metrics



Source: ADVFN, Company reports and trading updates, ED analysis
**AUM inflows between 1 April 2019 and 31 March 2020 as a % of opening AUM, excluding AUMs added through acquisitions*
RoE, Rev growth, Op margin, EPS growth based on most recent full-year financial statements
Valuation multiples as at 10 June 2020 - PE ratio differs slightly from ED calculation which uses adjusted basic EPS

Appendix 1 – Historic and forecast Financials

Consolidated Income Statement + Forecasts					
12 months to end Mar, £'000s	**2018A**	**2019A**	**2020A**	**2021E**	**2022E**
Revenue	**15,507**	**17,518**	**21,369**	**22,050**	**24,427**
Other exceptional revenue			1,588		
Admin expenses (before separately disclosed items)[1]	(8,981)	(10,210)	(12,293)	(12,438)	(13,597)
Adj op profit (before separately disclosed items)[2]	**6,526**	**7,308**	**9,076**	**9,612**	**10,830**
Share based payment costs	(986)	(874)	(108)	(1,000)	(1,000)
Amortisation of intangibles - customer relationships			(60)	(60)	(60)
Exceptional items	(1,964)	(509)	1,394	-	-
Total administrative expenses	(11,931)	(11,593)	(12,655)	(13,498)	(14,657)
Operating profit	**3,576**	**5,925**	**10,302**	**8,552**	**9,770**
Finance income/(costs)	(26)	187	(6)	100	100
Profit before tax	**3,550**	**6,112**	**10,296**	**8,652**	**9,870**
Tax	(1,110)	(1,255)	(1,933)	(1,730)	(1,974)
Profit for the year on continuing operations	2,440	4,857	8,363	6,921	7,896
Loss related to disposal of discontinued operations	(164)	-	-	-	-
Profit for the year attributable to shareholders	**2,276**	**4,857**	**8,363**	**6,921**	**7,896**
Basic EPS, p	4.1	8.7	15.0	12.4	14.1
Diluted EPS, p	3.9	7.9	14.5	11.8	13.3
Basic adjusted EPS2, p	9.6	11.0	13.1	14.3	16.0
Diluted adjusted EPS2, p	9.1	10.0	12.0	12.9	14.3

1 Adjusted for exceptional items and share-based payments

2 Adjusted for exceptional items and share-based payments and the tax thereon

Source: Group report & accounts and ED estimates

Consolidated Balance Sheet + Forecasts

As at 31 Mar, £'000s	2018A	2019A	2020A	2021E	2022E
Non-current assets					
Goodwill	4,917	4,917	6,254	6,254	6,254
Intangible assets	-	223	1,495	1,350	1,205
Property, plant and equipment	104	349	1,034	1,030	1,026
Deferred income tax assets	-	104	-	-	-
Total non-current assets	**5,021**	**5,593**	**8,783**	**8,634**	**8,485**
Current assets					
Trade and other receivables	2,452	2,508	3,431	3,540	3,922
Cash and cash equivalents	10,630	12,192	12,757	15,012	18,192
Total current assets	13,082	14,700	**16,188**	**18,553**	**22,114**
TOTAL ASSETS	**18,103**	**20,293**	**24,971**	**27,186**	**30,599**
Current liabilities					
Trade and other payables	(3,922)	(4,521)	(6,186)	(6,322)	(6,943)
Corporation tax	(605)	(484)	(199)	(148)	(209)
Total current liabilities	**(4,527)**	**(5,005)**	**(6,385)**	**(6,470)**	**(7,152)**
Non-current liabilities					
Other payables	-	-	(702)	(351)	-
Deferred tax liabilities	(15)	-	(106)	(106)	(106)
Total non-current liabilities	**(15)**	**-**	**(808)**	**(457)**	**(106)**
TOTAL LIABILITIES	**(4,542)**	**(5,005)**	**(7,193)**	**(6,927)**	**(7,258)**
NET ASSETS	**13,561**	**15,288**	**17,778**	**20,259**	**23,341**
Equity attributable to equity holders of the Company					
Share capital	11,182	11,182	11,182	11,182	11,182
Share premium account	8,718	8,718	8,718	8,718	8,718
Other reserve	2,041	2,041	2,041	2,041	2,041
Merger reserve	(28,968)	(28,968)	(28,968)	(28,968)	(28,968)
Retained Earnings	20,588	22,315	25,801	27,286	30,368
Acquisition of own shares	-	-	(996)	-	-
TOTAL EQUITY	**13,561**	**15,288**	**17,778**	**20,259**	**23,341**

Consolidated Statement of Cash Flows + Forecasts

12 months to end Mar, £'000s	2018A	2019A	2020A	2021E	2022E
Operating activities					
Profit for the year	**2,276**	**4,857**	**8,363**	**6,921**	**7,896**
Adjustments:					
Income tax expense	1,110	1,255	1,933	1,730	1,974
Finance (income)/costs	26	(187)	6	(100)	(100)
Depreciation of PPE	53	91	298	307	341
Amortisation of intangible assets	-	43	195	195	195
Share-based payment expense	986	874	108	1,000	1,000
Share of profit from joint venture	(31)	-	-	-	-
Changes In:					
Trade and other receivables	(544)	78	(1,016)	(109)	(382)
Trade and other payables	(188)	491	1,338	197	682
Exceptional costs	1,964	509	(1,394)	-	-
Cash generated from ops before exceptional costs	**5,652**	**8,011**	**9,831**	**10,142**	**11,605**
Cash generated from operations	**3,688**	**7,502**	**11,225**	**10,142**	**11,605**
Income tax paid	(1,374)	(1,366)	(2,278)	(1,781)	(1,913)
Net cash from operating activities	**2,314**	**6,136**	**8,947**	**8,361**	**9,692**
Investing activities					
Acquisition payment, net of cash acquired	-	-	(2,002)	(351)	(351)
Purchase of intangible assets	-	(266)	(271)	(50)	(50)
Purchase pf property, plant and equipment	(82)	(336)	(294)	(303)	(336)
Net cash used in investing activities	**(82)**	**(602)**	**(2,567)**	**(704)**	**(737)**
Financing activities					
Proceeds from the issue of shares	10,000	-	-	-	-
Stamp duty paid on share transfer	(10)	-	-	-	-
Interest received/(paid)	(26)	53	162	100	100
Payment of lease liabilities	-	-	(61)	(61)	(61)
Acquisition of own shares	-	-	(996)	-	-
Dividends paid	(1,556)	(4,025)	(4,920)	(5,440)	(5,814)
Net cash used in financing activities	**8,408**	**(3,972)**	**(5,815)**	**(5,401)**	**(5,775)**
Net increase in cash and cash equivalents	**10,640**	**1,562**	**565**	**2,255**	**3,180**
Cash and cash equivalents beginning of period	(10)	10,630	12,192	12,757	15,012
Net cash and cash equivalents end of the period	**10,630**	**12,192**	**12,757**	**15,012**	**18,192**

Investor Access

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