Interim Results

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Argentex Group PLC
20 November 2020

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Argentex Group PLC

("Argentex", the "Group" or the "Company")

Interim results for the six months ended 30 September 2020

Argentex Group PLC, the provider of foreign exchange services to institutions, corporates and high net worth individuals, today issues its interim results for the six-month period ended 30 September 2020.

Carl Jani and Harry Adams, Co-CEOs of Argentex commented:

"Like many other businesses, the six-month period for Argentex has been shaped by the impact of the Covid-19 pandemic and associated macro-economic uncertainty. This has caused a significant fall in our trading volumes as clients have, temporarily, put their dealing decisions on hold. However, each client has a commercial need to mitigate FX risk inherent in their business and we have started to see client activity return to more normal levels.

Importantly, the fundamentals of our business remain strong and we experienced a record number of new clients trading in the second quarter, sourced by our expanding and increasingly capable sales team. With our disciplined risk management, balance sheet strength and long-term focus, we remain confident in our ability to navigate the ongoing challenges of Covid-19 and Brexit and continue to deliver sustainable long-term growth for our shareholders."

Financial highlights

- Foreign Exchange ("FX") Turnover(1): £5.0bn (Sept 2019: £6.0bn)
- Revenue: £11.8 million (Sept 2019: £13.8 m)
- Underlying Operating Profit(2): £3.7m (Sept 2019: £6.5m)
- Underlying Operating Profit Margin: 31.6% (Sept 2019: 46.8%)
- Profit after tax: £2.7m (Sept 2019: £3.2m)
- Earnings per share: 2.4p (basic), 2.5p (underlying) (Sept 2019: 2.9p basic, 4.6p underlying)

(1) FX turnover represents gross currency sales of the Group's FX product offering

(2) Operating profits of Argentex Group PLC, before IPO costs, share based payments and pre-IPO equity based LLP remuneration)

Operational highlights

- *Growing client base and average trade size:*
  - Record number of 126 new corporate clients traded in Q2
  - 212 new corporate clients trading during the period, up 15% (FY20 - 185)
  - Total number of all traded corporate clients grew by 5% to 981 (FY20 - 933)
  - Average spot and forward trade size grew by 4% and 5% respectively
- *Encouraging levels of client activity in September, pointing to an unwinding of pent-up demand:*
  - Revenues generated in September up 57% vs August
  - Average forward tenor increased by 52% during the period, a return toward historical levels
- *Foundation for growth further enhanced:*
  - 62% increase in sales team to 35 people, with a total of 23 new hires across the business
  - New 12,000 square foot London headquarters opened in September providing a Covid -secure efficient working environment
- *Traded product mix consistent with historic trends:*
  - Forwards accounted for 35% of traded volume and 47% of overall group revenue
  - Spot trades made up 65% and 53% of volume and revenue respectively
- *Early international growth plans continue*
  - Netherlands office opened and now contributing to revenue
- *Successful Covid-19 mitigation plan*

- Entire operation working from home within 24 hours of first lockdown
- New office working well under current lockdown

Outlook

The Company's trading post period end, from October onwards, has been encouraging and the general economic and trading environment continues to improve. This will offer substantial opportunities for Argentex, but it is still too early for the board to be confident that trading has sustainably returned to pre-pandemic levels.

The business continues to focus on delivering high levels of client service, which have been successfully maintained despite pandemic-related challenges. Argentex has also continued its emphasis on maintaining the financial robustness of its client base through strict risk management processes and rejecting any revenue opportunity which comes at the cost of an unacceptable increase in credit risk in the trade book.

As confidence returns to the market, trading volumes are expected to recover further, and the Company's resilient business model with its highly motivated workforce, remains well placed to benefit from a growing pool of high-quality clients.

Analysts briefing:
There will be a presentation for analysts at 9.30am on 20 November 2020. To register for this event, please contact argentex@fticonsulting.com

For further information please contact:

Argentex Group PLC
Carl Jani, Harry Adams - Co-CEOs
(Via FTI Consulting)

FTI Consulting (Financial PR)
Ed Berry, Shiv Talwar, Ambrose Fullalove
Telephone: 0203 727 1046
argentex@fticonsulting.com

Numis Securities Limited (Nominated Adviser and Broker)
Stephen Westgate, Charlie Farquhar, Laura White, Hugo Rubinstein
Telephone: +44 (0) 20 7260 1000

Forward looking statements

This announcement contains certain forward-looking statements with respect to the financial condition, results of operations and businesses and plans for Argentex Group PLC. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that have not yet occurred. There are a number of different factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. Nothing in this statement should be construed as a profit forecast.

The release, publication, transmission or distribution of this announcement in jurisdictions other than the United Kingdom may be restricted by law and therefore persons in such jurisdictions into which this announcement is released, published, transmitted or distributed should inform themselves about and observe such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities laws of any such jurisdiction.

About Argentex Group PLC

Argentex is a UK-based foreign exchange service provider founded in 2011 by its current senior management and Pacific Investments. It operates as a Riskless Principal broker for non-speculative spot and forward foreign exchange and structured financial derivative contracts.

The Group delivers tailored foreign exchange advisory and execution services to a global client base consisting principally of institutions, corporates and high net worth individuals. It provides a personal client-led service, improved pricing and a more efficient execution and settlement service than existing FX service providers, such as banks and larger broker-dealers.

The business assists customers with foreign exchange transactions which are related to genuine underlying business needs. It does not engage in speculative trades for its clients, nor does it offer margin trading, spread betting, CFDs or similar products and it does not speculate with its own funds as principal.

Co-CEOs' Statement

When we came to market in June last year, we had a clear message for all our stakeholders: we would remain prudent, with a long-term focus, in our pursuit of sustainable, organic growth. This disciplined approach combined with our strong underlying business model and balance sheet strength, has continued to serve us well over the last six months, a period dominated by the unprecedented effects of Covid-19.

While our revenue and profit decline for the period reflects reduced trading activity as a result of market conditions, we are confident that the business will navigate the ongoing challenges and continue its trajectory of long-term stable growth thanks to its resilient fundamentals.

Key Highlights

The headline fall in revenue to £11.8m (down 14.7% on H1 2019) and underlying operating profit (down 42%) was driven by part of our client base deferring its trading activity in the face of growing uncertainty in global markets. Whilst Covid-19 has had a severe impact on market dynamics, it is important to note that short-term fluctuations in trading volumes are regularly experienced by a trading business and we have experienced this shift in trading behaviour and conviction in previous periods of significant market uncertainty.

Our data clearly shows varying degrees of temporary decision paralysis across the period. Despite an increase in the number of clients trading, their average trade size (both spot and forward) and number of new traded clients, we have seen a decrease in the number of trades along with the average tenor of a forward trade. These are all signs of reduced conviction and an unwillingness to hedge beyond absolute certainty.

Encouragingly, our September trading has shown signs of a return towards a more 'normal' level of activity, with numerous positive indicators pointing to an unwinding of pent-up trades and with 126 new trading corporates across Q2. Revenues in September were 57% higher than those in August, and it is this trend of accelerating momentum that we hope will continue in the medium term.

As we have seen after previous periods of macro-economic uncertainty, each of our clients has a commercial need to remove FX risk, so it is not a question of if these "pent-up" trades are made, but when. While the timing of this will likely depend on market and geopolitical events, we are confident that they will be reflected in our longer-term revenues.

Looking at the detail, the average trade size of spot and forwards were up 4% and 5% respectively. Our traded product mix has remained consistent with historic trends: forwards accounted for 35% of traded volume and 47% of overall group revenue while spot trades made up 65% and 53% of volume and revenue respectively. The number of forward contracts executed in September also represented a 65% increase compared to the number traded in April. The average forward tenor increased 52% during the period, from its lowest level since 2014 back in April, towards typical historic average levels by September, which also further indicates an improving level of conviction from our clients.

Operational Highlights

Despite the encouraging growth in our client base, we have not compromised our strict take-on procedures. We have experienced no material exposure to bad debt during the period and have continued to exercise vigilance and a consistent approach to credit quality and monitoring. We have seen a spike in the number of clients with trades that we have declined, falling outside our risk tolerance parameters and underlining our commitment to high levels of risk management and governance, even at the expense of quick financial gain.

The health and safety of our people and their families has been a key priority during the period and this will continue going forward. We are proud of the way our staff have responded to the extraordinary challenges of the pandemic. We successfully adapted our entire operation to work from home within 24 hours of the initiation of the first lock down, and transitioning those relevant parts of the business back to a work from home environment immediately during the current lockdown. In both instances we have done so in a safe and efficient way, remaining client-focused and without detriment to staff safety or client service levels.

We are delighted with how our staff have settled into our new premises at 25 Argyll Street in London and embraced the new environment which is focused on enhancing employee interactivity and promoting their health and wellbeing, whilst simultaneously allowing for seamless remote working where roles and responsibilities are not compatible with current government guidelines for remaining in the office.

At a time when some businesses across the country are facing irreparable damage and losing staff, we increased our commitment to invest in our most important asset, our people, and continued to attract new talent during the period. Our focus on long-term growth is evidenced through the increase in our sales team to 35 people, a 62% increase in a year, enabled by the move to our new London headquarters which was completed over the initial lockdown period.

Our early international growth plans continue to progress in line with our expectations with the office in the Netherlands opening in the period. It is now contributing to revenue, whilst we continue to progress our early stage planning in Australia. Finally, our Brexit contingency plans are in place to cater for the UK potentially leaving the EU on 1 January 2021 with no deal.

Financial review

Revenue

The six-month period to 30 September 2020 has seen Argentex experience a decline in revenues with the comparative period of 14.7%. Covid-19 has been the core driver of the reduction in revenue with Argentex's clients reducing their trading activity during the height of the pandemic. September revenues provided some indication of a return to previous levels of activity, and while short term uncertainty remains, the long terms prospects of the Group's revenue potential is bolstered by operational changes within the Group including increased headcount in the front office and the recent move to a new headquarters.

Profitability

In a period in which the business has significantly increased capacity with its new headquarters and increased headcount, Argentex's operating profit margins have reduced. The new and larger headquarters, will allow the Group to continue with its growth ambitions over the coming years, however this increase in property size and in headcount (across all aspects of the business) has naturally led to lower profitability margins for the period. The reduction in revenues combined with a new cost base has resulted in underlying operating margins of 31.6%, although the anticipated operating margins in the medium term are expected to return towards 35%-40%. In the longer term, the group expects to increase operating margins back over 40% as newer front office staff reach their revenue potential.

Argentex's commitment to an established risk framework has also proven successful to date, with no material bad debts experienced since the start of the pandemic, which continues to attest to the underlying quality of Argentex's client base. While a conservative risk appetite may result in some client opportunities being declined to preserve the integrity of the client portfolio, this is considerably outweighed by the longer-term benefits from this risk-based approach, particularly in scenarios that precipitate major market movements.

Cashflow

The Group's net cash position (total cash less amounts payable to clients) is £20.1m (HY 2019: £19.1m, YE 2020: £23.8m). The reduction from 31 March follows the period's capital expenditure on the new premises and the dividend paid relating to YE 2020.

	30 Sept 2020	**30 Sept 2019**	**31 March 2020**
	£'000	**£'000**	**£'000**
Cash at bank	38,046	32,140	49,276
Less: amounts payable to clients	(17,960)	(13,009)	(25,521)
Net cash	20,086	19,131	23,751

Client balances relating to collateral have reverted to pre-pandemic levels following the reduction in FX volatility through the summer. The Group is confident in the creditworthiness of its client base going forward and will continue to request collateral from clients as the need arises.

The Group's operations continue to generate positive cash flows. Adjusting for changes to client balances (collateral received from, and funds awaiting distribution to clients), capital expenditure and dividends paid provides underlying cash generation as follows:

	30 Sept 2020	30 Sept 2019	31 March 2020
	£'000	£'000	£'000
Change in cash and cash equivalents	(11,230)	18,574	35,710
Add:			
Decrease/(increase) in amounts payable to clients	7,250	(4,428)	(16,943)
Capital expenditure	3,454	656	1,294
Dividends paid	2,264	-	-
Less: net IPO proceeds	-	(10,779)	(10,779)
Underlying net cash generation	1,738	4,023	9,282

The spot and forward composition of the firm's revenues remains within historic averages (53% spot/47% forward) which provides positive cash flows into the business from the core revenue line. Further to the spot FX cash flows, the average tenor of and FX forward continues to be less than five months. When combined with the cash flow profile of the spot FX contracts, the LLP measures short term cash return as follows:

	30 Sept 2020	30 Sept 2019	31 March 2020
	£'000	£'000	£'000
Revenues for the last 12 months (A)	26,954	26,296	28,986
less:			
Revenues settling beyond 3 months	(5,207)	(3,704)	(7,464)
Net short term cash generation (B)	21,747	22,592	21,522
Short term cash return (B/A)	81%	86%	74%

Dividend

With the impact of Covid-19 still unclear for the short term, the Board is not recommending an interim dividend. The Board will consider the payment of a final dividend at the appropriate time.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6 months to 30 September 2020 (unaudited)	6 months to 30 September 2019 (unaudited)*	12 months to 31 March 2020 (audited)
	£	£	£
Revenue	**11,795,413**	**13,827,852**	**28,986,444**
Direct costs	(147,810)	(190,939)	(409,350)
Gross profit	**11,647,603**	**13,636,913**	**28,577,094**
Administrative expenditure	(7,912,650)	(7,159,578)	(16,075,230)
Underlying operating profit	**3,734,953**	**6,477,335**	**12,501,864**
IPO costs	-	(563,171)	(563,171)
LLP equity-based remuneration pre-IPO	-	(1,662,696)	(1,662,696)
Share based payments	(106,161)	(66,861)	(5,763)
Operating profit	**3,628,792**	**4,184,607**	**10,270,234**
Interest payable and similar charges	(174,062)	(133,362)	(157,032)
Interest receivable and similar income	-	-	105,343
Profit before taxation	**3,454,730**	**4,051,245**	**10,218,545**

Taxation	**(762,046)**	**(859,689)**	**(2,127,755)**
Profit and total comprehensive income for the period	2,692,684	3,191,556	8,090,790

[*] As restated, see note 3

CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 30 September 2020

	Notes	30 September 2020 (unaudited) £	30 September 2019 (unaudited)* £	31 March 2020 (audited) £
Non-current assets				
Intangible assets		1,761,215	1,797,661	1,793,385
Property, plant and equipment	8	9,423,647	296,576	211,693
Trade and other receivables	6	2,269,391	5,552,655	7,225,042
Total non-current assets		**13,454,253**	**7,646,892**	**9,230,120**
Current assets				
Trade and other receivables	6	15,352,605	11,999,927	17,925,854
Cash and cash equivalents	7	38,046,223	32,140,220	49,275,808
Total current assets		**53,398,828**	**44,140,147**	67,201,662
Current liabilities				
Trade and other payables	9	(34,584,650)	(27,920,272)	(47,425,671)
Total current liabilities		**(34,584,650)**	**(27, 920,272)**	**(47,425,671)**
Non-current liabilities				
Creditors due after more than one year	10	(6,751,784)	(3,722,950)	(4,024,158)
Net assets		**25,516,647**	**20,143,817**	**24,981,953**
Equity				
Share capital	12	70,295	70,295	70,295
Share premium account		12,713,922	12,713,922	12,713,922
Share option reserve		111,924	66,861	5,763
Merger reserve		4,549,705	4,549,705	4,549,705
Retained earnings		8,070,801	2,743,034	7,642,268
Total equity		**25,516,647**	**20,143,817**	**24,981,953**

[*] As restated, see note 3

CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months to 30 September 2020 (unaudited) £	6 months to 30 September 2019 (unaudited)* £	12 months to 31 March 2020 (audited) £
Cash flows from operating activities			
Profit after taxation	**2,692,684**	**3,191,556**	**8,090,790**
Net finance expense	174,062	7,785	11,247
Depreciation of right of use assets	357,378	117,386	234,949
Amortisation of intangible assets	610,989	497,356	1,046,462
Deprecation of property, plant and equipment	94,398	67,535	128,087
Share based payment expense	106,161	66,861	5,763
(Increase)/decrease in other receivables	(979,367)	46,013	59,389
(Decrease)/increase in other payables	(7,292,809)	5,838,477	18,969,951
Decrease/(increase) in derivative financial assets	8,508,269	(5,090,292)	(12,701,982)
(Decrease)/increase in derivative financial liabilities	(8,535,575)	2,162,498	11,287,758

LLP members remuneration	1,461,126	3,563,302	6,557,493
Drawings and distributions to LLP members and former members	(2,708,016)	(1,345,837)	(6,628,205)
Net cash (used by)/generated from operating activities	**(5,510,700)**	**9,122,640**	**27,061,702**
Cash flow from investing activities			
Payments to acquire property, plant and equipment	(2,459,225)	(8,090)	(101,323)
Payments to acquire intangible fixed assets	(578,820)	(538,581)	(1,083,412)
Share acquisition costs	-	(109,290)	(109,290)
Payments made during the acquisition of right of use assets	(416,369)	-	-
Net cash used in investing activities	**(3,454,414)**	**(655,961)**	**(1,294,025)**
Cash flow from financing activities			
Payments of lease liabilities	-	(223,115)	(388,525)
Proceeds from the issue of shares	-	14,061,302	14,061,302
Share issuance costs	-	(1,284,757)	(1,284,757)
Short term loans	-	(1,997,430)	(1,997,430)
Net interest expense	(319)	-	-
Dividends paid during the period	(2,264,151)	-	-
Distributions paid under former ownership structure	-	(448,522)	(448,522)
Net cash (outflow)/inflow from financing activities	**(2,264,470)**	**10,107,478**	**9,942,068**
Net (decrease)/increase in cash and cash equivalents	**(11,229,584)**	**18,574,157**	**35,709,745**
Cash and cash equivalents at the beginning of the period	49,275,808	13,566,063	13,566,063
Cash and cash equivalents at end of the period	**38,046,224**	**32,140,220**	**49,275,808**

[*] As restated, see note 3

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the period ended 30 September 2020

	Share capital £	Share premium £	LLP Equity Capital	Share option reserve £	Merger reserve £	Retained earnings £	Total
Balance as at 31 March 2019 (audited)	**1**	**-**	**3,071,565**	**-**	**-**	**-**	**3,(**
Profit and total comprehensive income for the period	-	-		-	-	3,191,556	3,1
Transactions with shareholders							
Dividends paid under former ownership structure	-	-	-	-	-	(448,522)	(44
Merger reserve arising on reorganisation	(1)	-	(3,071,565)	-	4,549,705	-	1,4
Issue of share capital	70,295	13,998,679	-		-	-	14,0
Cost of issue of equity shares	-	(1,284,757)	-		-	-	(1,28
Share based payments	-	-	-	66,861	-	-	
Balance as at 30 September 2019 (unaudited)*	**70,295**	**12,713,922**	**-**	**66,861**	**4,549,705**	**2,743,034**	**20,1**
Profit and total comprehensive income for the period	-	-	-	-	-	4,899,234	4,8
Transactions with shareholders							
Share based payments	-	-	-	(61,098)	-	-	(
Balance as at 31 March 2020 (audited)	**70,295**	**12,713,922**	**-**	**5,763**	**4,549,705**	**7,642,268**	**24,9**
Profit and total comprehensive income for the period	-	-	-	-	-	2,692,684	2,6
Transactions with shareholders							
Dividends paid	-	-	-	-	-	(2,264,151)	(2,26
Share based payments	-	-	-	106,161	-	-	1
Balance as at 30 September 2020 (unaudited)	**70,295**	**12,713,922**	**-**	**111,924**	**4,549,705**	**8,070,801**	**25,5**

[*] As restated, see note 3

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1 Corporate information

Argentex Group PLC ("the Company") is a public limited company, limited by shares, incorporated and domiciled in England and Wales. The address of the registered office of the Company is 25 Argyll Street, London, W1F 7TU. The Company's shares are listed on AIM, the London Stock Exchange's market for small and medium size growth companies. The Company is the ultimate parent company into which the results of its subsidiaries are consolidated.

2 Basis of preparation

The consolidated financial information contained within these financial statements is unaudited and does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006.
While the financial figures included in this interim report have been prepared in accordance with IFRS applicable to interim periods, this interim report does not contain sufficient information to constitute an interim financial report as defined in IAS 34. Financial information for the year ended 31 March 2020 has been extracted from the audited financial statements for that year.

The financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability or expense. The accounting policies applied in preparation of these interim financial statements are consistent with the basis that was adopted for the preparation of the full year accounts for the year ended 31 March 2020 and will be adopted for the full year accounts for the year ended 31 March 2021.

Statutory accounts for the year ended 31 March 2020 have been reported on by the Company's Independent Auditor and have been delivered to the Registrar of Companies. The Independent Auditor's Report on the Annual Report and Financial Statements for 2020 was unqualified, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006. The Independent Auditor drew attention to note 3.2 of the statutory financial statements, which describes the impact of COVID-19 on the Company by way of emphasis. The audit opinion was not modified in respect of this matter.

These interim financial statements are prepared on a going concern basis as the directors have satisfied themselves that, at the time of approving these interim financial statements, the Group has adequate resources to continue in operational existence for at least the next twelve months.

3 Accounting policies

The accounting policies adopted in these interim financial statements are identical to the those adopted in the Group's most recent annual financial statements for the year ended 31 March 2020, which are available from the Registrar of Companies and www.argentex.com/investors.

Restatement of 30 September 2019 interim results and reconciliation to 2019 interim statement

The Group's interim financial results to 30 September 2019 were prepared on the initial assessment that the formation of the Group consolidated by the Company should be accounted for as an acquisition in accordance with IFRS 3 - Business Combinations. Following further assessment, the directors concluded that the substance of the formation of the Argentex Group was more reliably represented by the use of merger accounting (as described in note 3.4 of the Group's audited financial statements for the year ended 31 March 2020). No other accounting policies or estimates have changed as a result of this restatement.

Use of the acquisition method in accounting for the Group formation resulted in goodwill of £101m and net assets of the group of £121m in the 2019 interim results. Following the adoption of the merger accounting method in the full year audited results, no goodwill is recognised in the consolidated financial statements and the net assets of the Group as at 30 September 2019 has been restated to £20m.

The effect on interim profit after taxation under the two accounting methods is shown as follows:

Profit after taxation under acquisition accounting method (30 September 2019)	**3,177,328**
Additional profits recognised in the Group under merger accounting	448,522
Costs relating to group formation and IPO not eligible for capitalisation	(371,261)
Tax impact	(63,033)
Profit after taxation under merger accounting method (30 September 2019)	**3,191,556**

4 Earnings per share

The Group calculates basic earnings to be net profit attributable to equity shareholders for the period. The Group also calculates an underlying earnings figure, which excludes the effects of share based payments, and non-recurring costs including costs associated with the IPO and profits earned and fully distributed to former equity holders prior to the IPO (net of a tax adjustment). The calculation of diluted earnings per share assumes conversion of all potentially dilutive ordinary shares, all of which arise from share options.

	Period ended 30 Sept 2020 £	Period ended 30 Sept 2019* £	Year ended 31 March 2020 £
Basic earnings per share	2.4	2.9	7.1
Diluted earnings per share	2.4	2.9	7.1
Underlying - basic	2.5	4.6	8.8
Underlying - diluted	2.5	4.6	8.8

[*] As restated, see note 3

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

	Period ended 30 Sept 2020 No.	Period ended 30 Sept 2019 No.	Year ended 31 March 2020 No.
Basic weighted average shares	113,207,547	113,207,547	113,207,547
Contingently issuable shares	425,90848,427	283,010	226,408
Diluted weighted average shares	113,255,974	113,490,557	113,433,955

The earnings used in the calculation of basic, diluted and underlying earnings per share are set out below:

	Period ended 30 Sept 2020 £	Period ended 30 Sept 2019* £	Year ended 31 March 2020 £
Earnings - basic and diluted	2,692,682	3,191,556	8,090,790
IPO Costs	-	563,171	563,171

LLP equity-based remuneration pre-IPO	-	1,662,696	1,662,696
Share-based payments	106,161	66,861	5,763
Tax impact	-	(317,007)	(317,007)
Earnings - underlying	2,798,843	5,167,277	10,005,413

5 Dividends

	30 September 2020 (unaudited)	30 September 2019 (unaudited)	31 March 2020 (audited)
	£	£	£
Amounts recognised as distributions to equity holders:			
Dividends declared under the former ownership structure	-	448,552	448,552
Interim dividend of 2.0p per share	2,264,149	-	-

The interim dividend was declared in July 2020 in respect of the results for the year ended 31 March 2020, and paid in respect of the ordinary shares in issue of £0.0001 each. Prior to the IPO and change in ownership, the former owners of Argentex Foreign Exchange Limited declared dividends amounting to £448,552 which are included in the Consolidated Statement of Changes of Equity.

[*] As restated, see note 3

6 Trade and other receivables

	30 September 2020 (unaudited)	30 September 2019 (unaudited)	31 March 2020 (audited)
	£	£	£
Non-Current			
Derivative financial assets at fair value	2,269,391	5,552,655	7,225,042
	2,269,391	**5,552,655**	**7,225,042**
Current			
Derivative financial assets at fair value	14,080,428	11,693,743	17,633,046
Other debtors	838,047	90,879	90,880
Prepayments	372,796	215,305	201,928
	15,291,271	**11,999,927**	**17,925,854**

7 Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks. Cash and cash equivalents at the end of the reporting period can be reconciled to the related items in the Statement of Financial Position as follows:

	30 September 2020 (unaudited)	30 September 2019 (unaudited)	31 March 2020 (audited)
	£	£	£
Cash and cash equivalents			
Cash held at banks	38,046,224	32,140,220	49,275,808
	38,046,224	**32,140,220**	**49,275,808**

Included within cash and cash equivalents are client held funds relating to margins received and client balances payable (See note 9).

Client balances held as electronic money in accordance with the Electronic Money Regulations 2011 are held in accounts segregated from the firm's own bank accounts in authorised credit institutions.

Cash includes cash held as collateral with banking and brokerage counterparties for which the Group does not have immediate access of £894,267 (30 September 2019: £5,159,115; 31 March 2020: £1,140,267)

8 Property Plant and Equipment

	Leasehold improvements	Right of use asset	Office equipment	Computer equipment	Total
Cost	£	£	£	£	£
At 31 March 2019	351,700	1,173,525	243,025	319,541	2,087,791
Additions	-	-	3,030	5,060	8,090
At 30 September 2019	351,700	1,173,525	246,055	324,601	2,095,881
Additions	-	-	-	93,233	93,233
At 31 March 2020	351,700	1,173,525	246,055	417,834	2,189,114
Additions					

	1,641,144	7,174,504	477,648	370,434	9,663,730
Disposals	(351,700)	(1,173,525)	(241,813)	(218,716)	(1,985,754)
At 30 September 2020	**1,641,144**	**7,174,504**	**481,890**	**569,552**	**9,867,090**
Depreciation					
At 31 March 2019	252,920	880,136	241,203	240,126	1,614,385
Charge for the period	37,114	117,415	934	29,487	184,921
At 30 September 2019	290,034	997,551	242,137	269,613	1,799,335
Charge for the period	37,113	117,534	983	22,456	178,086
At 31 March 2020	327,147	1,115,085	243,120	292,069	1,977,421
Charge for the period	38,701	357,378	8,998	46,699	451,776
Disposals	(351,700)	(1,173,525)	(241,813)	(218,716)	(1,985,754)
At 30 September 2020	**14,148**	**298,938**	**10,305**	**120,052**	**443,443**
Net Book Value					
At 30 September 2020	**1,626,996**	**6,875,566**	**471,585**	**449,500**	**9,423,647**
At 31 March 2020	24,553	58,440	2,935	125,765	211,693
At 30 September 2019	61,666	175,974	3,918	54,988	296,546
At 31 March 2019	98,780	293,389	1,822	79,415	473,406

9 Trade and other payables

	30 September 2020 (unaudited) £	**30 September 2019 (unaudited) £**	**31 March 2020 (audited) £**
Loans and other debts due to members and former members of Argentex LLP	4,694,472	7,603,675	5,315,499
Trade creditors	59,912	1,732,512	1,574
Amounts payable to clients	17,960,330	13,009,694	25,524,595
Other creditors	-	46,119	625,861
Accruals	2,420,780	2,475,494	2,785,250
Other taxation and social security	4,332	10,672	190,711
Derivative financial liabilities at fair value	5,850,927	2,030,373	10,854,425
Lease liability	704,095	151,948	-
Corporation tax	2,889,802	859,785	2,127,756
	34,584,650	**27,920,272**	**47,425,671**

10 Creditors: amounts falling due after more than one year

	30 September 2020 (unaudited) £	**30 September 2019 (unaudited) £**	**31 March 2020 (audited) £**
Derivative financial liabilities at fair value	492,081	3,722,950	4,024,158
Lease liabilities	6,259,703	-	-
	6,751,784	**3,722,950**	**4,024,158**

11 Share capital

Allotted and paid up	**Ordinary shares No.**	**Management shares No.**	**Nominal value £**
Ordinary shares of £0.0001 each	113,207,547	-	11,321
Management shares issued of £0.0025 each	-	23,589,212	58,974
At 30 September 2020	**113,207,547**	**23,589,212**	**70,295**

There were no changes to share capital during the period from 1 April 2020 to 30 September 2020.

On 7 April 2020, the Company awarded options over a total of 4,528,300 new ordinary shares in an unapproved option scheme. The share options all have an exercise price of 135p, representing a 12.0% premium to the closing midmarket price of 120.5p on 6 April 2020, the day before the awards were made. To provide long-term alignment with shareholders, the awards will vest in portions of one third on the third, fourth and fifth anniversaries of grant.

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