

FOUNDED
1868

THE INVESTMENT COMPANY PLC

REGISTERED No. 4205
ENGLAND AND WALES

REPORT AND ACCOUNTS for the six months ended 31 December 2019

CONTENTS

Directors and Advisers	1
Summary of Results	2
Investment Objective	2
Financial Calendar	2
Chairman’s Statement	3
Investment Manager’s Report	4
Twenty Largest Investments	6
Interim Management Report and Directors’ Responsibility Statement	8
Condensed Consolidated Statement of Comprehensive Income	9
Condensed Consolidated Statement of Changes in Equity	10
Condensed Consolidated Balance Sheet	11
Condensed Consolidated Cash Flow Statement	12
Notes to the Condensed Consolidated Financial Statements	13

DIRECTORS AND ADVISERS

DIRECTORS (all non-executive)

I.R. Dighé (Chairman)
T. M. Metcalfe
M.H.W. Perrin (Audit Committee Chairman)

ADVISERS

Secretary, Administrator and Registered Office

Maitland Administration Services Limited
Hamilton Centre
Rodney Way
Chelmsford CM1 3BY
Telephone: 01245 398950

Investment Manager

Fiske plc
Salisbury House
London Wall
London EC2M 5QS
Telephone: 020 7448 4700
Website: www.fiskeplc.com

Broker

Shore Capital Group Limited
57 St James's Street
London SW1A 1LD

Independent Auditors

PKF Littlejohn LLP
Statutory Auditor
15 Westferry Circus
London E14 4HD

Registrar

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA
Telephone: 0371 384 2030
Website: shareview.co.uk

Company Website

www.maitlandgroup.com/TheInvestmentCompany

An investment company as defined under Section 833 of the Companies Act 2006.

SUMMARY OF RESULTS

	At 31 December 2019 (unaudited)	At 30 June 2019 (audited)	Change %
Equity shareholders' funds (£)	17,885,130	16,620,311	7.61
Number of ordinary shares in issue	4,772,049	4,772,049	–
Net asset value ("NAV") per ordinary share	374.79p	348.28p	7.61
Ordinary share price (mid)	346.00p	298.00p	16.11
Discount to NAV	7.68%	14.44%	–

	6 months to 31 December 2019 (unaudited)	12 months to 30 June 2019 (audited)
Total return per ordinary share	34.01p	3.24p
Dividends paid per ordinary share	7.50p	16.25p

INVESTMENT OBJECTIVE

The Company's investment objective is to provide shareholders with an attractive level of dividends coupled with capital growth over the long term through investment in a portfolio of equities, preference shares, loan stocks, debentures and convertibles.

FINANCIAL CALENDAR

February	Payment of quarterly interim dividend.
February/March	Announcement of Half-Yearly Financial Report.
May	Payment of quarterly interim dividend.
August	Payment of quarterly interim dividend.
September/October	Announcement of Annual Results.
November	Payment of quarterly interim dividend.
November/December	Annual General Meeting.

CHAIRMAN'S STATEMENT

Half-Year to 31 December 2019

During the period under review the FTSE All-Share Index increased by 3.44%. The Company's NAV was up by 26.51p, an increase of 7.61 %, which can be analysed as follows:

	At December 2019		At June 2019	
	Pence per share	%	Pence per share	%
Opening net assets	348.28	100.00	363.24	100.00
Investment income	10.39	2.98	24.19	6.66
Expenses	(4.19)	(1.20)	(8.63)	(2.37)
Portfolio outturn	27.81	7.98	(12.53)	(3.45)
Dividends paid	(7.50)	(2.15)	(17.99)	(4.95)
Closing net assets	374.79	107.61	348.28	95.89

The share price rose by 16.11% in the period.

The Investment Manager has continued to make sound progress in recovering value from the legacy portfolio. In particular, I draw shareholders attention to the Manager's successful endeavours in securing an offer for our Liberty 6% & 9.5% preference shares, a welcome offer for our Aggregated Micro Power Holdings PLC equity holding, and the redemption of our Newcastle Building Society 3.886% Subordinated Notes. Cash proceeds from these sales have been recycled into higher yielding fixed interest and equity holdings. The Investment Managers' Report is set out on pages 4 and 5.

Current income projections anticipate that after covering the costs of running the Company, sufficient income will be available, such that it is likely we will be able to cover the cost of the dividends. This has been a key objective since July 2018, and I am delighted that the Investment Manager has managed the affairs of the Company such that it is likely this objective will be met in this prevailing year.

Your Board believes individuals' capital is scarce, and as such should be respected for its irreplaceability. We have seen savers in recent times suffer at the hands of hubris and unaccountability. We as a Board are conscious that the Company is still too small relative to its relatively fixed cost base, but we will only seek out opportunities that are likely to attract like-minded shareholders, and capital that has a long-term time horizon.

I. R. Dighé

Chairman

10 February 2020

INVESTMENT MANAGER'S REPORT

Performance

During the six month period to 31 December 2019 the NAV increased by 7.61% whilst the share price rose by 16.11%, which was ahead of major UK indices.

The period under review was dominated by two factors. Firstly concerns continued to build over the outlook for US/China trade tariffs and the impact they were having on the global economy. As a result the Federal Reserve took decisive action and cut interest rates three times during the period in order to shield the US economy from the impact of trade wars and the global economic slowdown. Towards the end of the period, following 18 months of fraught trade war negotiations, the US and Chinese administrations have agreed a preliminary phase one trade agreement. This was a major boost for the global economy and investor confidence.

Secondly, in the UK Brexit has dominated the agenda and the debate has pivoted around the potential of a satisfactory 'withdrawal agreement' being passed by Parliament. As the period progressed investor expectation grew of a potential withdrawal agreement being passed through Parliament and as a result Sterling strengthened against the US Dollar & Euro. The decisive general election result saw the government returned to power with a healthy majority which should ensure a resolution to the Brexit saga and a more market friendly agenda. Sterling initially surged on the result but has since drifted back. As we have mentioned in previous reports the general election outcome provides the much sought after clarity that international and UK investors were seeking as they assess the relatively attractive valuations of some UK assets. The FTSE 250, which is dominated by domestic equities such as – housebuilders, utilities and financials – performed strongly in December.

Portfolio

Towards the end of the period we received a takeover bid in cash for Aggregated Micro Power Holdings PLC which is a good outcome for the Company. Firstly we were having difficulty selling the shares in the market and secondly they were not paying a dividend. We have deployed this c.£500,000 of capital into existing portfolio holdings which will generate in excess of £30,000 of income per annum.

In August, we received a cash bid for Greene King from CK Asset Holdings Limited in Hong Kong at a significant premium to our purchase price. As a result, we sold the position at an attractive profit and have reinvested the proceeds into existing holdings such as Vistry (formerly Bovis), Polar Capital, Phoenix Group and New River REIT.

We also had a satisfactory resolution to the two preference share holdings in Liberty Limited and Liberty Retail Limited. These Liberty preference share issues have not been paying interest for a number of years and as a result they were a drag on the Company. More importantly, we have been able to deploy the capital received into existing fixed interest and equity holdings which will provide a significant boost towards covering the administration costs and paying the dividend.

During the period we also increased our exposure to housebuilders – Bellway, Persimmon and Vistry due to the increasingly favourable operating environment which was further enhanced by the well-received general election result and Brexit resolution. The housebuilders are currently paying generous and well covered dividends – both ordinary and specials – and are attractively valued.

We took the opportunity to take some profits in Restaurant Group as the price rise from our initial purchase made the yield less attractive and the company is still in the midst of restructuring itself in order to attract customers in the increasingly competitive casual dining market. We also took the opportunity to add to existing holdings in New River REIT, Phoenix Group and Standard Life Aberdeen. We were fully invested ahead of the general election due to the widely anticipated Conservative majority and this has been a boost for the portfolio.

In the fixed interest part of the portfolio we sold the EI Group 7.5% March 2024 at an attractive level following a strong performance over the last year. EI Group has been acquired by the Stonegate Pub Company. The bond is callable in September 2020 at a level below our sale price.

The Newcastle Building Society 3.886% December 2019 Subordinated Notes were redeemed by the company as planned. The yield was relatively low and the redemption has allowed us to re-allocate the returned capital into existing holdings within the portfolio that offer higher yields. These include additions to Lloyds Bank 7.625% Perpetual, Premier Oil 6.5% 2021 and Ecclesiastical Insurance 8.625% Preference shares.

Future Prospects

Fears of a global recession have eased somewhat with better economic data from the UK and US. In response, bond yields have backed off from their lows. Notwithstanding geo-political risks, the backdrop is generally supportive for equity markets although investors have become more discriminating in their evaluation of growth company ratings. This has led to a better period of performance for more value oriented stocks.

With the UK General Election now decided, the political uncertainty has been largely removed. However, the finer details of Brexit still need to be negotiated and there will undoubtedly be continuing concerns about the UK's long-term relationship with Europe and the progress made in agreeing trade deals with the rest of the world. With the Conservatives having such a large working majority, the major risk to the UK economy would appear to be a hard or no deal Brexit. This will no doubt be reflected in how Sterling moves against other currencies over the coming year.

M. Foster, J. Harrison, J Dieppe

Fiske plc

10 February 2020

TWENTY LARGEST INVESTMENTS

At 31 December 2019

Stock	Number	Book cost £	Market or Directors' valuation £	% of total portfolio
1. GlaxoSmithKline Ordinary 25p [^]	35,450	519,438	630,514	3.80%
2. 600 Group 8% cov loan notes 14/02/20 20p Warrants	500,000 2,500,000	500,000 —	539,475 —	3.25% —
		500,000	539,475	3.25%
3. Nationwide Building Society 10.25% core capital deferred shares (variable)	3,100	490,536	514,656	3.10%
4. BP Ordinary USD 0.25 [^]	109,000	558,246	514,044	3.10%
5. Premier Oil 6.5% 31/05/21	510,000	503,652	511,805	3.09%
6. Phoenix Group Ordinary 10p [^]	68,115	471,445	509,977	3.07%
7. Unilever Ordinary 3.11p [^]	11,135	448,710	484,428	2.92%
8. The Fishguard & Rosslare Railways and Harbours Company 2.45% guaranteed preference stock	790,999	441,810	474,599	2.86%
9. Virgin Money UK 8% variable perpetual	450,000	415,497	471,762	2.84%
10. National Westminster 9% Non Cum Pref	300,000	217,752	471,000	2.84%

[^] Issues with unrestricted voting rights.

TWENTY LARGEST INVESTMENTS

At 31 December 2019

Stock	Number	Book cost £	Market or Directors' valuation £	% of total portfolio
11. New River REIT NPV [^]	231,150	504,737	463,456	2.79%
12. Aggregated Micro Power Ordinary 0.50p [^]	554,286	388,000	460,057	2.77%
13. Intercede 8% Secured Conv Loan	450,000	450,000	450,000	2.71%
14 Lloyds Banking 7.625% Variable Perprtual	400,000	305,836	447,968	2.70%
15. Amalgamated Metal Corporation 5.4% cum pref £1	256,065	144,049	235,580	1.42%
6% cum pref £1	213,510	103,844	211,375	1.28%
		247,893	446,955	2.70%
16 Punch Taverns 7.75% 30/12/25	450,000	447,545	446,733	2.69%
17 Bovis Homes Ordinary 50p [^]	32,800	360,550	445,424	2.69%
18 M&G Ordinary 5p [^]	182,000	403,920	431,340	2.60%
19 Legal & General Ordinary 2.5p [^]	141,300	316,384	428,139	2.58%
20 Polar Capital Ordinary 2.5p [^]	76,300	404,897	412,020	2.48%
		8,396,848	9,554,352	57.58%

[^] Issues with unrestricted voting rights.

The Group has a total of 59 portfolio investments holdings in 56 companies

INTERIM MANAGEMENT REPORT AND DIRECTORS' RESPONSIBILITY STATEMENT

Interim Management Report

The important events that have occurred during the period under review and their impact on the financial statements are set out in the Chairman's Statement on page 3 and the Investment Manager's Report on pages 4 and 5.

In the view of the Board, the principal risks facing the Group are substantially unchanged since the date of the Report and Accounts for the year ended 30 June 2019 and continue to be as set out in that report. Risks faced by the Group include, but are not limited to, market risk (which comprises market price risk, interest rate risk and liquidity risk). Details of the Company's management of these risks and exposure to them is set out in the Company's Report and Accounts for the year ended 30 June 2019.

There have been no significant changes in the related party disclosures set out in the Annual Report.

Responsibility Statement

The Directors confirm that to the best of their knowledge:

- the condensed set of financial statements has been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, and gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Group; and
- this Half-Yearly Financial Report includes a fair review of the information required by:
 - a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Group during that period; and any changes in the related party transactions that could do so.

This Half-Yearly Financial Report was approved by the Board of Directors on 10 February 2020 and the above responsibility statement was signed on its behalf by I. R. Dighé, Chairman.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2019

Notes	6 months to 31 December 2019 (unaudited)			6 months to 31 December 2018 (unaudited)			Year ended 30 June 2019 (audited)			
	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £	Revenue £	Capital £	Total £	
Realised gains										
on investments	–	666,812	666,812	–	330,847	330,847	–	267,049	267,049	
Unrealised gains/(losses)										
on gains on investments held at fair value through profit or loss	–	660,624	660,624	–	(1,730,156)	(1,730,156)	–	(864,171)	(864,171)	
Exchange losses on capital items	–	(163)	(163)	–	(58)	(58)	–	(137)	(137)	
Investment income	2	495,930	495,930	379,490	–	379,490	1,154,271	–	1,154,271	
Investment management fee		(63,992)	(63,992)	(45,000)	–	(45,000)	(98,697)	–	(98,697)	
Other expenses		(136,135)	(136,488)	(134,030)	(321)	(134,351)	(301,825)	(646)	(302,471)	
Return before finance costs and taxation		295,803	1,326,920	1,622,723	200,460	(1,399,688)	(1,199,228)	753,749	(597,905)	155,844
Bank debit interest		–	–	–	–	–	–	–	–	–
Return before taxation		295,803	1,326,920	1,622,723	200,460	(1,399,688)	(1,199,228)	753,749	(597,905)	155,844
Taxation		–	–	–	(1,574)	–	(1,574)	(1,113)	–	(1,113)
Total comprehensive income after taxation		295,803	1,326,920	1,622,723	198,886	(1,399,688)	(1,200,802)	752,636	(597,905)	154,731
Return on total comprehensive income per 50p ordinary share										
Basic and diluted	3	6.20p	27.81p	34.01p	4.17p	(29.33p)	(25.16p)	15.77p	(12.53p)	3.24p

The total column of this statement is the condensed Consolidated Statement of Total Comprehensive Income of the Group prepared in accordance with International Financial Reporting Standards (“IFRS”). The supplementary revenue and capital columns are prepared in accordance with the Statement of Recommended Practice issued by the Association of Investment Companies (“AIC SORP”).

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued during the period.

The notes on pages 13 to 16 form part of these condensed financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2019

	Issued ordinary share capital £	Share premium £	Capital redemption reserve £	Revaluation reserve £	Capital reserve £	Revenue reserve £	Total £
Balance at 1 July 2019	2,386,025	4,453,903	2,408,820	–	8,629,630	(1,258,067)	16,620,311
Total comprehensive income							
Net return for the year	–	–	–	–	1,326,920	295,803	1,622,723
Transactions with shareholders recorded directly to equity							
Ordinary dividends paid	–	–	–	–	–	(357,904)	(357,904)
Balance at 31 December 2019	2,386,025	4,453,903	2,408,820	–	9,956,550	(1,320,168)	17,885,130
Balance at 1 July 2018	2,386,025	4,453,903	2,408,820	1,917,418	7,310,117	(1,142,190)	17,334,093
Transition to IFRS 9	–	–	–	(1,917,418)	1,917,418	–	–
Total comprehensive income							
Net return for the year	–	–	–	–	(1,399,688)	198,886	(1,200,802)
Transactions with shareholders recorded directly to equity							
Ordinary dividends paid	–	–	–	–	–	(510,609)	(510,609)
Balance at 31 December 2018	2,386,025	4,453,903	2,408,820	–	7,827,847	(1,453,913)	15,622,682
Balance at 1 July 2018	2,386,025	4,453,903	2,408,820	1,917,418	7,310,117	(1,142,190)	17,334,093
Transition to IFRS 9	–	–	–	(1,917,418)	1,917,418	–	–
Total comprehensive income							
Net return for the year	–	–	–	–	(597,905)	752,636	154,731
Transactions with shareholders recorded directly to equity							
Ordinary dividends paid	–	–	–	–	–	(868,513)	(868,513)
Balance at 30 June 2019	2,386,025	4,453,903	2,408,820	–	8,629,630	(1,258,067)	16,620,311

The notes on pages 13 to 16 form part of these condensed financial statements.

CONDENSED CONSOLIDATED BALANCE SHEET

As at 31 December 2019

	31 December 2019 (unaudited) £	31 December 2018 (unaudited) £	30 June 2019 (audited) £
Non-current assets			
Investments	16,593,672	13,709,874	15,777,113
Current assets			
Trade and other receivables	152,927	169,936	192,958
Cash and cash equivalents	1,251,156	1,826,565	785,703
	1,404,083	1,996,501	978,661
Current liabilities			
Trade and other payables	(112,625)	(83,693)	(135,463)
Net current assets	1,291,458	1,912,808	843,198
Net assets	17,885,130	15,622,682	16,620,311
Capital and reserves			
Issued ordinary share capital	5 2,386,025	2,386,025	2,386,025
Share premium	4,453,903	4,453,903	4,453,903
Capital redemption reserve	2,408,820	2,408,820	2,408,820
Capital reserve	9,956,550	7,827,847	8,629,630
Revenue reserve	(1,320,168)	(1,453,913)	(1,258,067)
Shareholders' funds	17,885,130	15,622,682	16,620,311
NAV per 50p ordinary share	6 374.79p	327.38p	348.28p

The notes on pages 13 to 16 form part of these condensed financial statements.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 31 December 2019

	31 December 2019 (unaudited) £	31 December 2018 (unaudited) £	30 June 2019 (audited) £
Cash flows from operating activities			
Cash received from investments	373,655	335,085	1,203,692
Interest received	171,326	119,846	–
Investment management fees paid	(63,219)	(45,000)	(95,795)
Cash paid to and on behalf of employees	–	(1,167)	(1,167)
Other cash payments	(162,223)	(146,137)	(263,981)
Tax recoverable	(6,896)	(1,919)	–
Net cash inflow from operating activities	312,643	260,708	842,749
Cash flows from financing activities			
Dividends paid on ordinary shares	(357,904)	(510,609)	(868,513)
Net cash outflow from financing activities	(357,904)	(510,609)	(868,513)
Cash flows from investing activities			
Purchase of investments	(4,042,249)	(2,321,667)	(6,497,746)
Sale of investments	4,553,126	3,554,758	6,465,917
Net cash inflow/(outflow) from investing activities	510,877	1,233,091	(31,829)
Net increase/(decrease) in cash and cash equivalents	465,616	983,190	(57,593)
Reconciliation of net cash flow to movement in net cash			
Increase/(decrease) in cash	465,616	983,190	(57,593)
Exchange rate movements	(163)	(58)	(137)
Increase/(decrease) in net cash	465,453	983,132	(57,730)
Net cash at start of period	785,703	843,433	843,433
Net cash at end of period	1,251,156	1,826,565	785,703

The notes on pages 13 to 16 form part of these condensed financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 December 2019

1. Significant accounting policies

Basis of Preparation

The condensed consolidated financial statements, which comprise the unaudited results of the Company and its wholly owned subsidiaries, Abport Limited and New Centurion Trust Limited, together referred to as the “Group”, have been prepared in accordance with IFRS, as adopted by the United Kingdom, and as applied in accordance with the provisions of the Companies Act 2006. The financial statements have been prepared in accordance with the AIC SORP, except to any extent where it is not consistent with the requirements of IFRS. The accounting policies are as set out in the Report and Accounts for the year ended 30 June 2019.

The half-year financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting”.

The financial information contained in this half year financial report does not constitute statutory accounts as defined by the Companies Act 2006. The financial information for the periods ended 31 December 2019 and 31 December 2018 have not been audited or reviewed by the Company’s Auditor. The figures and financial information for the year ended 30 June 2019 are an extract from the latest published audited statements, and do not constitute the statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and include a report of the Auditor, which was unqualified and did not contain a statement under either Section 498(2) or 498(3) of the Companies Act 2006.

Going Concern

The Directors have made an assessment of the Group’s ability to continue as a going concern and are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future (being a period of 12 months from the date these financial statements were approved). Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Group’s ability to continue as a going concern, having taken into account the liquidity of the Group’s investment portfolio and the Group’s financial position in respect of its cash flows, borrowing facilities and investment commitments (of which there are none of significance). Therefore, the financial statements have been prepared on the going concern basis and on the basis that approval as an investment trust will continue to be met.

Segmental Reporting

The Directors are of the opinion that the Group is engaged in a single segment of business, being investment business. The Group primarily invests in companies listed in the UK.

2. Income

	31 December 2019 (unaudited) £	31 December 2018 (unaudited) £	30 June 2019 (audited) £
Income from investments:			
UK dividends	308,156	236,944	848,003
Un-franked dividend income	24,964	25,583	46,335
UK fixed interest	162,810	117,094	259,933
	495,930	379,621	1,154,271
Other income:			
Net dealing gains of subsidiaries	–	(131)	–
Total income	495,930	379,490	1,154,271

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

continued

At 31 December 2019

3. Return per Ordinary Share

Returns per share are based on the weighted average number of shares in issue during the period. Normal and diluted return per share are the same as there are no dilutive elements on share capital.

	6 months to 31 December 2019 (unaudited)		6 months to 31 December 2018 (unaudited)		Year ended 30 June 2019 (audited)	
	Net return £	Per share pence	Net return £	Per share pence	Net return £	Per share pence
Return on total comprehensive income						
Revenue	295,803	6.20	198,886	4.17	752,636	15.77
Capital	1,326,920	27.81	(1,399,688)	(29.33)	(597,905)	(12.53)
Total comprehensive income	1,622,723	34.01	(1,200,802)	(25.16)	154,731	3.24
Weighted average number of ordinary shares	4,772,049			4,772,049		4,772,049

4. Dividends per Ordinary Share

Amounts recognised as distributions to equity holders in the period.

	6 months to 31 December 2019 (unaudited) £	6 months to 31 December 2018 (unaudited) £	Year ended 30 June 2019 (audited) £
Ordinary Shares			
Interim dividend of 5.70p paid on 31 August 2018	–	272,007	272,007
Interim dividend of 5.70p paid on 23 November 2018	–	238,602	238,602
Interim dividend of 3.75p paid on 13 February 2019	–	–	178,952
Interim dividend of 3.75p paid on 24 May 2019	–	–	178,952
Interim dividend of 3.75p paid on 30 August 2019	178,952	–	–
Interim dividend of 3.75p paid on 23 November 2019	178,952	–	–
Total income	357,904	510,609	868,513

The Board declared an interim dividend of 3.75p per ordinary share, which was paid on 19 February 2020 to shareholders registered at the close of business on 17 January 2020. This dividend has not been included as a liability in these financial statements.

5. Ordinary Share Capital

	6 months to 31 December 2019 (unaudited)		6 months to 31 December 2018 (unaudited)		Year ended 30 June 2019 (audited)	
	Number	£	Number	£	Number	£
Ordinary shares of 50p each	4,772,049	2,386,025	4,772,049	2,386,025	4,772,049	2,386,025

The Company does not hold any shares in treasury as at 31 December 2019 (31 December 2018: Nil and 30 June 2019: Nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

continued

At 31 December 2019

6. Net Asset Value per Ordinary Share

Net asset value per ordinary share is based on net assets at the period end and 4,772,049 (31 December 2018: 4,772,049 and 30 June 2019: 4,772,049) ordinary shares in issue at the period end excluding shares held in treasury if any.

7. Investment Management fee

The management fee payable monthly in arrears by the Company to the Investment Manager, Fiske plc is calculated at the rate of one-twelfth of 0.75% of the NAV as at the last business day of each calendar month.

At 31 December 2019 an amount of £11,175 (31 December 2018: £7,500 and 30 June 2019: £10,402) was outstanding and due to the Investment Manager.

8. Fair Value Hierarchy

The fair value is the amount at which an asset could be sold in an ordinary transaction between market participants at the measurement date, other than a forced or liquidation sale. The Group measures fair values using the following hierarchy that reflects the significance of the inputs used in making the measurements.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

Level 1 – valued using quoted prices, unadjusted in active markets for identical assets and liabilities.

Level 2 – valued by reference to valuation techniques using observable inputs for the asset or liability other than quoted prices included in Level 1.

Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data for the asset or liability.

The table below sets out fair value measurement of financial instruments as at 31 December 2019, by the level in the fair value hierarchy into which the fair value measurement is categorised.

At 31 December 2019	Level 1	Level 2	Level 3	Total
	£	£	£	£
Financial assets at fair value through profit and loss	13,474,671	287,477	2,831,524	16,593,672
	13,474,671	287,477	2,831,524	16,593,672
At 31 December 2018				
Financial assets at fair value through profit and loss	9,327,357	310,136	4,072,381	13,709,874
	9,327,357	310,136	4,072,381	13,709,874
At 30 June 2019				
Financial assets at fair value through profit and loss	12,524,512	300,353	2,952,248	15,777,113
	12,524,512	300,353	2,952,248	15,777,113

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

continued

At 31 December 2019

8. Fair Value Hierarchy (*continued*)

Reconciliation of Level 3 investments

The following table summarises Level 3 investments that were accounted for at fair value.

	6 months to 31 December 2019 (unaudited) £	6 months to 31 December 2018 (unaudited) £	Year ended 30 June 2019 (audited) £
Opening balance	2,952,248	4,823,780	4,823,780
Transfer to level 1	–	–	(1,056,120)
Movement in unrealised gains/(losses) on investments at fair value through profit or loss	133,718	228,596	206,423
Realised gains/(losses)	120,660	(306,957)	45,398
Sales proceeds	(375,102)	(673,038)	(1,067,233)
Closing balance	2,831,524	4,072,381	2,952,248

9. Transactions with the Investment Manager and related parties

As disclosed in note 7 a fee is paid to the Investment Manager in respect of the services provided to the Company.

NOTES

