



14 September 2022

STM Group Plc
 (“STM”, “the Company” or “the Group”)
Unaudited Interim Results for the six months ended 30 June 2022
 and
Investor Presentation

STM Group Plc (AIM: STM), the multi-jurisdictional financial services group, is pleased to announce its unaudited interim results for the six months ended 30 June 2022.

Financial Highlights:

	2022 (reported)	2022 (underlying)**	2021 (reported)	2021 (underlying)**
Revenue	£11.3m	£11.3m	£11.4m	£10.6m
EBITDA*	£1.4m	£1.7m	£1.5m	£1.6m
Profit before taxation (“PBT”)	£0.5m	£0.8m	£0.9m	£0.7m
Profit before other items margin	12%	15%	13%	15%
Earnings per share	0.62p	N/A	1.28p	N/A
Cash at bank (net of borrowings)	£17.0m		£16.5m	
Interim dividend	0.60p		0.60p	

* EBITDA is defined as revenue from continuing operations less operating expenses i.e. profit from continuing operations before taxation, net finance income costs, depreciation, amortization, and non operating items such as bargain purchase gains and gains on the sale of investments

** Underlying statistics are net of certain transactions which do not form part of the regular operations of the business as further detailed in the table below

Operating Highlights:

- Predictable recurring revenue remains a cornerstone of the business
- UK Corporate Pensions business revenues continue to grow despite “small pot” legislation having come into effect
- Strategic partnerships continue to be developed in the UK, for example Options SIPP is partnering with IG Group to provide its pensions SIPP wrapper
- The Mercer SIPP and SSAS acquisition recently completed, post period end, adds further scale to the UK offering, in line with the strategy, doubling the UK SIPP & SSAS business
- Further development of operating model to drive increased revenue growth
- Significant new business now being generated in H2 2022 from our niche annuity products

Commenting on the results and prospects, Alan Kentish, Chief Executive Officer, said:

“As previously reported, the first six months of the year have been slower than anticipated for new business, although both the pensions and insurance businesses show an uplift in revenues relative to the prior year comparable period.

“The completion of the SIPP and SASS portfolio acquisition from Mercer Ltd as well as the continued development of several strategic partnerships in the UK further augment the Group’s UK focus and provide scale for further growth. Equally, the Corporate pensions business continues to grow despite changes in legislation coming into effect.

“Cost management and operating efficiencies remain key areas of focus for the Plc board.

“Further to the recently announced Board changes, I take this opportunity to express my thanks to Duncan Crocker and Malcolm Berryman who recently stepped down from their roles as Chair and independent Non-Executive Director respectively. I equally take this opportunity to welcome Nigel Birrell as he assumes the role of Group Chair and as independent Non-Executive Director, I look forward to working closely with him in the coming months.

“There remain a number of exciting opportunities which, albeit slower to come to fruition than we would have liked, makes us optimistic for the future despite the unsettled macro-economic outlook. In particular, our niche annuity products are now starting to produce significant new business.”

Investor Presentation: 2.00pm today, 14 September 2022

The Directors will hold a presentation to introduce STM Group Plc to investors and cover the Interim Results and prospects at 2.00 p.m. today, Wednesday 14 September 2022.

The presentation will be hosted through the digital platform Investor Meet Company. Investors can sign up to Investor Meet Company and add to meet STM Group Plc via the following link <https://www.investormeetcompany.com/stm-group-plc/register-investor>.

For those investors who have already registered and added to meet the Company, they will automatically be invited.

Questions can be submitted pre-event to STM@walbrookpr.com or in real time during the presentation via the "Ask a Question" function.

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 (as it forms part of retained EU law as defined in the European Union (Withdrawal) Act 2018).

For further information, please contact:

STM Group Plc

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Notes to editors:

STM is a multi-jurisdictional financial services group traded on AIM, a market operated by the London Stock Exchange. The Group specialises in the administration of client assets in relation to retirement, estate and succession planning and wealth structuring.

Today, the Group has operations in the UK, Gibraltar, Malta, Australia and Spain. STM has developed a range of pension products for UK nationals and internationally domiciled clients and has two Gibraltar life assurance companies which provide life insurance bonds – wrappers in which a variety of investments, including investment funds, can be held.

STM's growth strategy is focused on both organic initiatives and strategic acquisitions.

Further information on STM Group can be found at www.stmgroupplc.com

Chief Executive's Review

Overview

The first half of 2022 was slower than anticipated for new business, although both our pensions' businesses and life assurance businesses are showing an uplift in revenue compared to the previous half year position. Revenues from our businesses in Gibraltar and Malta remain consistent and in line with management expectations, but revenues in the UK SIPP business are behind plan as some strategic partners, whilst onboarded, have yet to fully roll out the product to their distribution network. UK Corporate pensions business revenues continue to grow despite the impact of the "small pots" legislation coming into force.

Recurring revenue, a cornerstone of our business, continues to hold up well and gives the predictability to build a strategy around organic growth. Like-for-like revenue comparison shows a steady uplift compared to the previous 2021 half year.

Operational expenses for the first six months were £10.8m (2021: £10.6m), broadly in line with management expectations, with overruns in certain businesses being compensated by savings in others. In relation to non-operational expenses, as classified as "other items" on the income statement, the non-cash item of amortisation of the client portfolios and IT development programs are higher than originally anticipated, leading to a reduction in the reported PBT number.

Optimisation of the operating model continues so as to improve efficiency and increase margins. This is primarily driven by the roll-out of our internal administration system and the automation of processes which will continue into the second half of the year, with margin improvements expected in second half year and into 2023.

Financial review

Financial performance in the period

The Group delivered revenue in the six months to 30 June 2022 of £11.3m (2021: £11.4m). The prior year included revenues from the Corporate Trust Services business of £0.8m which was disposed of in March 2021. Hence, on a like-for-like basis we have seen revenue growth of 7% across the pensions and life businesses.

Recurring revenues for the period have remained consistent whilst organic growth has been achieved in the UK Corporate pensions business and Gibraltar life business.

Profit before other items for the period is £1.4 million (2021: £1.5 million), with reported profit before tax of £0.5 million (2021: £0.9 million). During the period there have been a number of one-off and non-recurring costs such as costs associated with internal restructures. Thus, underlying profit before other items is £1.7 million (2021: £1.6 million) and underlying profit before tax of £0.8 million (2021: £0.7 million).

The reconciliation of reported measures to underlying measures is made up of items which are either non-recurring or exceptional and thus do not form part of the normal course of business. This reconciliation for all three key financial measures is shown in the table below:

RECONCILIATION OF REPORTED TO UNDERLYING MEASURES						
	REVENUE		EBITDA		PROFIT BEFORE TAX	
	2022	2021	2022	2021	2022	2021
	£m	£m	£m	£m	£m	£m
Reported measure	11.3	11.4	1.4	1.5	0.5	0.9
Add: integration and acquisition costs for H1	–	–	–	–	–	–
Add: other non-recurring costs	–	–	0.3	0.2	0.3	0.2
Less: gain on sale of investments	–	–	–	–	–	(0.1)
Less: bargain purchase gain and derivative asset	–	–	–	–	–	(0.2)
Less: effect of disposal of Companies and Trust Services		(0.8)		(0.1)		(0.1)
Underlying measure	11.3	10.6	1.7	1.6	0.8	0.7

Cashflows

Cash and cash equivalents at 30 June 2022 were £18.1 million (2020: £18.3 million) with cash generated from operating activities being £1.2 million (2021: £1.2 million) thus exceeding our reported profit before tax.

Whilst cash balances have decreased compared to the same period for the prior year, they have remained fairly consistent since the half-year end.

During the period we also repaid £0.3 million of our bank loan with £1.1 million still outstanding. Net cash and cash equivalents as at 30 June 2022 was therefore £17.0 million (2021: £17.3 million). Whilst the Group had £4.4 million available in the credit facility as at the balance sheet date, this has been fully drawn down to fund the portfolio acquisition from Mercer that completed on 31 August 2022.

As would be expected for a Group which is regulated in several jurisdictions, a significant proportion of our cash balance forms part of the regulatory and solvency requirements. It is not possible to determine exactly how much of the cash and cash equivalents are required for solvency purposes as other assets can also be used to support the regulatory solvency requirement. However, the total regulatory capital requirement across the Group as at 30 June 2022 was £16.9 million.

The balance sheet also gives visibility of future revenue and cash generation and, in line with all administration services businesses, the Group had accrued income in the form of work performed for clients but not yet billed of £1.6 million as at the period end (2021: £1.5 million). This gives some visibility of revenue still to be billed and collected as cash at bank.

Additionally, deferred income relating to annual fees invoiced but not yet earned stood at £3.9 million (2021: £4.0 million). This figure also gives good visibility of revenue that is still to be earned through the Income Statement in the coming months.

Trade receivables as at 30 June 2022 were £3.4 million (2021: £3.1 million).

Dividend

I am pleased to announce that the Board has declared an interim dividend of 0.60 pence per share which is in line with the prior year. The interim dividend is expected to be paid on 16 November 2022 to those shareholders on the register on 21 October 2022. The ordinary shares will become ex-dividend on 20 October 2022.

Subject to trading continuing to perform in line with our revised expectations, the Board expects to propose a final dividend for the full year.

Review of operations

Pensions

The pensions administration businesses continue to be the cornerstone of our operations.

Pensions revenue for the period was £9.1 million (2021: £8.7 million) representing 81% (2021: 76%) of total Group revenues. Total revenue is split between £4.9 million for QROPS (2021: £4.9 million), £1.9 million (2021: £1.7 million) for the SIPP and SSAS businesses and a further £1.8 million (2021: £1.5 million) for the workplace pensions business. In addition, this year the Group also has a revenue contribution of £0.6 million (2021: £0.6 million) from third party administration and Group Pension Plans.

The recurring revenue percentage for this operating segment remains at 92%, and when combined with the relatively low attrition rates, remains a solid predictor of future divisional profitability.

Opportunities and challenges around the pensions businesses are focused on improving margins in the UK, as well as capitalising on volumes of new business from our strategic partners. Internationally, the focus is on increasing revenue through our occupational pension schemes for international businesses.

Life Assurance

Revenue for the combined Life Assurance businesses amounted to £1.9 million compared to £1.6 million in 2021. In a similar manner to the pensions operating segment, our life assurance business also has high levels of recurring fees.

Our flexible annuity products aimed at the UK market remain the key focus for sustainable organic growth within our life businesses. Conversion times for new business remain slow and unpredictable, and continued effort to expand our intermediary base is an important part of improving our new business numbers. In addition, the businesses are in the process of launching a suite of portfolio bonds for the UK market, which will produce a steady flow of new revenue, giving additional predictability to future organic growth. Distribution of these products will be via our strategic partners and thus additional costs for such products will be minimal.

Outlook

In the second half of 2022, we anticipate a healthy uplift in new business flow for our life assurance businesses in relation to certain of our annuity products, as well as increased new business flows for our SIPP business through our strategic partners; such an example being the recent announcement in relation to our partnering with IG Index.

However, a further benefit of our strategic partner program is that we anticipate that some of our other core products will also be made available soon via these platforms.

Having completed the acquisition of the SIPP and SSAS books from Mercer on 31 August, it is paramount that we integrate this business, and the staff, into our UK Options business in an orderly and efficient manner. The acquisition doubles our UK SIPP and SSAS business and will allow us to gain some benefits of scale. The team based in Cardiff is experienced and keen to bring its own new business relationships and opportunities into the STM family.

As previously announced, we anticipate the acquisition will generate approximately £0.87m in additional EBIT to STM's current UK business, Options, on an annualised basis, after a twelve month phased integration process. As a result of transaction costs of £0.3 million, and specific integration costs of £0.3 million, it is anticipated for the four months to 31 December 2022 that the acquisition will be a negative contribution of £0.3 million to the Group's result.

As we move forward towards the last quarter of 2022, we have made some significant changes within our board structure, as well as at subsidiary board level both at non-executive, as well as senior management level. All of the above is conducive to accelerating our revenue growth and improving our profit margins.

I look forward to updating the market with our progress in due course.

Alan Kentish

Chief Executive Officer

CONSOLIDATED INCOME STATEMENT
For the period from 1 January 2022 to 30 June 2022

	Notes	Unaudited 6 months to 30 June 2022 £'000	Unaudited 6 months to 30 June 2021 £'000	Audited Year to 31 December 2021 £'000
Revenue	4	11,323	11,386	22,355
Administrative expenses		(10,744)	(10,629)	(20,982)
Profit before other items		579	757	1,373
OTHER ITEMS				
Gain on disposal of subsidiaries		-	120	219
Gains on revaluation of financial instruments		-	222	406
Finance costs		(99)	(152)	(330)
Movement on deferred consideration		-	-	330
Impairment of goodwill		-	-	(798)
Profit before taxation		480	947	1,200
Taxation		(111)	(187)	542
Profit after taxation		369	760	1,742
OTHER COMPREHENSIVE INCOME				
<i>Items that are or may be reclassified to profit and loss</i>				
Foreign currency translation differences for foreign operations		13	(37)	(33)
Total other comprehensive income/(loss)		13	(37)	(33)
Total comprehensive income for the period/year		382	723	1,709
Profit attributable to:				
Owners of the Company		305	800	1,749
Non-Controlling interests		64	(40)	(7)
		369	760	1,742
Total comprehensive income attributable to:				
Owners of the Company		318	763	1,716
Non-Controlling interests		64	(40)	(7)
		382	723	1,709
Earnings per share basic (pence)	5	0.62	1.28	2.94
Earnings per share diluted (pence)	5	0.62	1.28	2.94

The results for the period from 1 January 2022 to 30 June 2022 relate to continuing activities. The results for the period from 1 January 2021 to 31 December 2021 include both continuing and discontinued activities (see Note 6).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2022

		Unaudited 30 June 2022 £'000	Unaudited 30 June 2021 £'000	Audited 31 December 2021 £'000
	Notes			
ASSETS				
Non-current assets				
Property, plant and equipment		1,317	1,692	1,663
Intangible assets		19,437	20,066	19,355
Financial assets		881	697	881
Deferred tax asset		76	85	76
Total non-current assets		21,711	22,540	21,975
Current assets				
Accrued income		1,550	1,447	1,311
Trade and other receivables	9	6,549	4,019	7,699
Receivables due from insurers		24,130	3,600	24,130
Cash and cash equivalents	8	18,118	18,574	18,207
Total current assets		50,347	27,640	51,347
Total assets		72,058	50,180	73,322
EQUITY				
Called up share capital	12	59	59	59
Share premium account		22,372	22,372	22,372
Retained earnings		14,734	13,836	14,429
Other Reserves		(467)	(482)	(480)
Equity attributable to owners of the Company		36,698	35,785	36,380
Non-controlling interests		(388)	(485)	(452)
Total equity		36,310	35,300	35,928
LIABILITIES				
Current liabilities				
Liabilities for current tax		786	890	640
Trade and other payables	10	9,325	8,081	10,532
Provisions		24,130	3,600	24,130
Total current liabilities		34,241	12,571	35,302
Non-current liabilities				
Other payables	11	1,074	1,774	1,628
Deferred tax liabilities		433	535	464
Total non-current liabilities		1,507	2,309	2,092
Total liabilities and equity		72,058	50,180	73,322

CONSOLIDATED CASH FLOW STATEMENT
For the period from 1 January 2022 to 30 June 2022

	Notes	Unaudited 30 June 2022 £'000	Unaudited 30 June 2021 £'000	Audited 31 December 2021 £'000
Operating Activities				
Profit for the period/year before tax		408	947	1,200
Adjustments for:				
Depreciation of property, plant and equipment		333	369	659
Amortisation of intangible assets		445	391	791
Impairment of goodwill		–	–	798
Taxation paid		35	(447)	(14)
Unrealised gains on financial instruments at FVTPL		–	(222)	(406)
(Increase)/decrease in trade and other receivables		1,150	(996)	(2,226)
(Increase) in receivables due from insurers		–	–	(20,530)
Decrease/(increase) in accrued income		(239)	291	8
Increase/(decrease) in trade and other payables		(1,018)	817	(936)
Increase in provisions		–		20,530
Net cash from operating activities		1,186	1,150	(126)
Investing activities				
Disposal of investments		–	2,330	4,821
Purchase of property, plant and equipment		(13)	(193)	(352)
Increase in intangible assets		(527)	(546)	(1,032)
Net cash used in investing activities		(540)	1,591	3,437
Cash flows from financing activities				
Proceeds from Bank loans		–	500	900
Bank loan repayment		(275)	(138)	(1,050)
Lease liabilities paid		(473)	(437)	(469)
Dividends paid	7	–	(505)	(861)
Net cash from financing activities		(748)	(580)	(1,480)
Increase/(decrease) in cash and cash equivalents		(102)	2,161	1,831
Reconciliation of net cash flow to movement in net funds				
Analysis of cash and cash equivalents during the period/year				
Increase/(decrease) in cash and cash equivalents		(102)	2,161	1,831
Effect of movements in exchange rates on cash and cash equivalents		13	4	(33)
Balance at start of period/year		18,207	16,409	16,409
Balance at end of period/year		18,118	18,574	18,207

STATEMENT OF CONSOLIDATED CHANGES IN EQUITY
For the period from 1 January 2022 to 30 June 2022

	Share Capital £000's	Share Premium £000's	Retained Earnings £000's	Treasury Shares £000's	Foreign Currency Translation Reserve £000's	Shares Based Payments Reserve £000's	Total £000's	Non- Controlling Interests £000's	Total Equity £000's
Balance at 1 January 2021	59	22,372	13,541	(549)	(60)	162	35,525	(445)	35,080
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD									
Profit for the year	–	–	1,749	–	–	–	1,749	(7)	1,742
Other comprehensive income									
Foreign currency translation differences	–	–	–	–	(33)	–	(33)	–	(33)
Transactions with owners, recorded directly in equity									
Dividend paid	–	–	(861)	–	–	–	(861)	–	(861)
Changes in ownership interest									
31 December 2021 and 1 January 2022	59	22,372	14,429	(549)	(93)	162	36,380	(452)	35,928
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD									
Profit for the year	–	–	305	–	–	–	305	64	369
Other comprehensive income									
Foreign currency translation differences	–	–	–	–	13	–	13	–	13
Transactions with owners, recorded directly in equity									
Dividend paid	–	–	–	–	–	–	–	–	–
Changes in ownership interest									
At 30 June 2022	59	22,372	14,734	(549)	(80)	162	35,398	(388)	(36,310)

NOTES TO THE CONSOLIDATED RESULTS

For the period from 1 January 2021 to 30 June 2022

1. Reporting entity

STM Group Plc (the “Company”) is a company incorporated and domiciled in the Isle of Man and was admitted to trading on the London Stock Exchange AIM Market on 28 March 2007. The address of the Company’s registered office is 18 Athol Street, Douglas, Isle of Man, IM1 1JA. The Group is primarily involved in financial services.

2. Basis of preparation

Results for the period from 1 January 2022 to 30 June 2022 have not been audited.

The consolidated results have been prepared in accordance with International Financial Reporting Standards (“IFRS”), interpretations adopted by the International Accounting Standards Board (“IASB”) and in accordance with Isle of Man law and IAS 34, Interim Financial Reporting.

3. Significant accounting policies

The accounting policies in these consolidated results are the same as those applied in the Group’s consolidated financial statements for the year ended 31 December 2021. No changes in accounting policies are expected to be reflected in the Group’s consolidated financial statements for the year ended 31 December 2022.

4. Segmental Information

STM Group has four reportable segments: Pensions, Life Assurance, Corporate Trustee Services and Other Services. Each segment is defined as a set of business activities generating a revenue stream and offering different services to other operating segments. The Group’s operating segments have been determined based on the management information reviewed by the CEO and Board of Directors.

The Board assesses the performance of the operating segments based on turnover generated. The performance of the operating segments is not measured using costs incurred as the costs of certain segments within the Group are predominantly centrally controlled and therefore the allocation of these is based on utilisation of arbitrary proportions. Management believes that this information and consequently profitability could potentially be misleading and would not enhance the disclosure above.

The following table presents the turnover information regarding the Group’s operating segments:

Operating Segment	Unaudited 6m 2022 £’000	Unaudited 6m 2021 £’000	Audited 2021 £’000
Pensions	9,072	8,690	17,597
Life Assurance	1,910	1,638	3,402
Other Services	341	284	582
	11,323	10,612	21,581
Corporate Trustee Services	–	774	774
Total	11,323	11,386	22,355

Analysis of the Group's turnover information by geographical location is detailed below:

Geographical Segment	Unaudited 6m 2022 £'000	Unaudited 6m 2021 £'000	Audited 2021 £'000
Gibraltar	2,976	3,172	6,099
Malta	3,755	3,670	7,288
United Kingdom	4,251	3,822	7,952
Jersey	–	445	445
Other	341	277	571
	11,323	11,386	22,355

5. Earnings per Share

Earnings per share for the period from 1 January 2022 to 30 June 2022 is based on the profit after taxation of £368,000 divided by the weighted average number of £0.001 ordinary shares during the period of 59,408,088 basic.

A reconciliation of the basic and diluted number of shares used in the period ended 30 June 2022 and 30 June 2021 is as follows:

	2022	2021
Weighted average number of shares	59,408,088	59,408,088
Share incentive plan	–	–
Diluted	59,408,088	59,408,088

6. Discontinued operation

On 23 March 2021 the Group disposed of its Gibraltar company and trustee services (“CTS”) and tax compliance businesses. On 8 May 2021 the Group disposed of its Jersey based CTS businesses. These businesses were previously classified as held-for-sale and are now discontinued operations.

There results for the discontinued operation included in the six month period ended 30 June 2021 and the year ended 31 December 2021 are shown below. There are no results for discontinued operations included in the six month ended 30 June 2022:

	£'000
Revenue	785
Expenditure	(736)
Results from operating activities	38
Income tax	–
Results from operating activities, net of tax	38
Gain on sale of discontinued operation	219
Profit from discontinued operation	257

The profit from the discontinued operation is attributable entirely to the owners of the Company.

7. Dividends

The following dividends were declared and paid by the Group during the period:

	Unaudited 30 June 2022 £'000	Unaudited 30 June 2021 £'000	Audited 31 December 2021 £'000
0.0 pence (2021: 0.85 pence) per qualifying ordinary share	–	505	881

8. Cash and cash equivalents

Cash at bank earns interest at floating rates based on prevailing rates. The fair value of cash and cash equivalents in the Group is £18,118,000.

9. Trade and other receivables

	Unaudited 30 June 2022 £'000	Unaudited 30 June 2021 £'000	Audited 31 December 2021 £'000
Trade receivables	3,421	3,077	3,921
Prepayments	723	581	508
Other receivables	2,405	3,962	3,270
Total	6,549	7,620	7,699

10. Trade and other payables

	Unaudited 30 June 2022 £'000	Unaudited 30 June 2021 £'000	Audited 31 December 2021 £'000
Deferred income	3,869	4,014	3,579
Trade payables	547	549	638
Bank loan	550	552	550
Lease liabilities	638	651	747
Contingent consideration	56	700	170
Other creditors and accruals	3,665	5,215	4,848
	9,325	11,681	10,532

The Company maintains a credit facility with Royal Bank of Scotland (International) Ltd for £5.50 million. The facility has a 5-year term with capital repayments structure over ten years and a final instalment to settle the outstanding balance in full at the end of the 5 years. At the period-end £1.6 million of this facility had been drawn down with £1.2 million outstanding. Interest on the drawn funds is charged at 3.5% per annum over the Sterling Relevant Reference Rate, with the undrawn balance charged at an interest rate of 1.75% per annum over the Sterling Relevant Reference Rate. The facility is subject to customary cashflow to debt service liability ratios and EBITDA to debt service liability ratio covenants tested quarterly and is secured by a capital guarantee provided by several non-regulated holding subsidiary companies within the Group and debenture over these companies. Whilst the Group had £4.4 million available in the credit facility as at the balance sheet date, this has been fully drawn down to fund the portfolio acquisition from Mercer that has completed on 31 August 2022.

11. Other payables – amounts falling due in more than a year

	Unaudited	Unaudited	Audited
	30 June	30 June	31 December
	2022	2021	2021
	£'000	£'000	£'000
Lease liabilities	273	831	637
Bank loan	625	773	900
Other payables	175	170	91
	1,503	1,774	1,628

12. Called up share capital

	Unaudited	Unaudited	Audited
	30 June	30 June	31 December
	2022	2021	2021
	£'000	£'000	£'000
Authorised			
100,000,000 ordinary shares of £0.001 each	100	100	100
Called up, issued and fully paid			
59,408,088 ordinary shares of £0.001 each	59	59	59

13. Subsequent events

On 31 August 2022 STM completed the acquisition of the portfolio, net assets, and trustee companies of the SIPP and SSAS businesses, from Mercer Ltd for a total purchase price of £3.34m. The acquisition was funded through drawing down the of the unutilised portion of the RBS facility.