



Ravenscroft

Unaudited Interim Report

June 2022







Investing really can change the world

Ravenscroft Global Solutions Fund launched in Spring 2022 in the Channel Islands and Isle of Man, as a new investment opportunity for our clients and to meet the rising interest and demand from clients to access direct investments in this area.

The Fund is run by the Ravenscroft multi-manager team and invests in companies dedicated to tackling some of the world's greatest challenges, in particular:

- Environmental solutions (such as recycling)
- Basic needs (access to clean water and healthcare)
- Energy transition (the move to clean energy)
- Emerging equality (improving lives outside of the developed world)
- Resource scarcity (doing more with less)

It is our belief that the companies this Fund invests in are well-positioned to help solve the critical challenges facing our world.

The value of investments can fall as well as rise. Investors may get back less than invested. The Global Solutions Fund is only available in the Channel Islands and Isle of Man. Ravenscroft is a trading name of Ravenscroft (CI) Limited regulated by the Guernsey and Jersey Financial Services Commissions Ravenscroft is also a trading name of Ravenscroft (IOM) Limited registered in the Isle of Man with company number 127781C, which has its registered address at St George's Tower, Hope Street, Douglas, Isle of Man IM1 1A and is licensed and regulated by the Isle of Man Financial Services Authority. All calls will be recorded and monitored for training and security purposes. For all Ravenscroft connected entities, please refer to www.ravenscroftgroup.com/disclaimer



CONTENTS

Management Report

Company Information 03

CEO's Review 04

Condensed Consolidated Financial Statements

Condensed Consolidated Statement of Comprehensive Income 05

Condensed Consolidated Statement of Financial Position 06

Condensed Consolidated Statement of Cash Flows 07

Condensed Consolidated Statement of Changes in Equity 08

Notes to the Condensed Consolidated Financial Statements 09-19

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COMPANY INFORMATION

INTERIM REPORT 2022

RAVENSCROFT HOLDINGS LIMITED (THE “COMPANY”)¹

DIRECTORS

CURRENT DIRECTORS (collectively referred to as the “Directors” or “the Board”)

D C Jones	<i>(Independent Non-Executive Chairman)</i>
C D Barling	<i>(Independent Non-Executive Director)</i>
R A Hutchinson	<i>(Independent Non-Executive Director)</i>
R A Collenette	<i>(Non-Independent Non-Executive Director)</i>
M T Kingston	<i>(Independent Non-Executive Director)</i>
J R Ravenscroft	<i>(Group Chief Executive Officer)</i>
M L C Bousfield	<i>(Group Managing Director of Investments)</i>
B M O’Mahoney	<i>(Group Finance Director)</i>
R J Newbould	<i>(Group Managing Director of Operations)</i>

COMPANY SECRETARY

D J McGall *(Group Company Secretary)*

REGISTERED OFFICE

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20 New Street
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Guernsey GY1 4JG

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Carey House
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Guernsey GY1 4BZ

INDEPENDENT AUDITOR

PricewaterhouseCoopers CI LLP
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1 Gategny Esplanade
St Peter Port
Guernsey GY1 4ND

¹ Ravenscroft Holdings Limited and its subsidiaries (together the “Group”)



CEO'S REVIEW

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

We are pleased to report that during another challenging period, our business has, once again, demonstrated resilience and stability. We are also confident that our long-term investment approach and focus on client service will demonstrate we are well placed to navigate what are likely to be a challenging next few years for investors.

In the first half of 2022, the geopolitical events we highlighted in last year's annual report have shown no sign of improving and indeed the investment backdrop has only become more challenging. Politics, specifically in the UK, have been similarly tumultuous and, while we have learnt to live with Covid-19, its impact on daily life has been replaced by new challenges such as rapidly rising inflation, interest rate hikes and volatile markets.

At the end of March, we added Ravenscroft Global Solutions to our global fund range. The Global Solutions Fund invests into companies providing goods and services dedicated to tackling the challenges the world faces today, in particular: environmental solutions, basic needs, energy transition, emerging equality and resource scarcity. We believe the fund will be a popular addition to our suite.

March was a busy month for the Group, where we also finalised the acquisition of MitonOptimal's Guernsey business and have since integrated their longstanding clients and team. We would like to issue a very warm welcome to new clients, who may well be reading this report for the first time.

Regular readers will have been following our journey towards implementing a new operating platform, which has now been ongoing for several years. We have recently made the decision to halt the implementation. As the Group and the business environment has changed rapidly, a detailed review of the current project has led the Board to conclude that continuing the implementation as planned would not result in the optimal operating platform and systems for our future needs. There will be an expense recognised in the year-end annual report due to the accounting write-off of assets associated with the project. As with all modern businesses, technological advancement is a journey and we will, of course, keep you informed as we progress from here but we are confident our near term plans will not detract from our client service or future growth opportunities.

Financially, our business remains in a strong position despite the challenges of H1 2022 and we are pleased to declare a half-year dividend of 11p.



Jon Ravenscroft
CEO



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

	Notes	Unaudited 30 June 2022 £'000	Restated ¹ Unaudited 30 June 2021 £'000
Recurring revenue		13,466	11,828
Non-recurring revenue		4,894	9,668
Total revenue		18,360	21,496
Cost of sales		(2,964)	(4,564)
Gross profit		15,396	16,932
Administrative expenses	6	(10,960)	(10,685)
Depreciation and amortisation		(331)	(467)
Trading profit²		4,105	5,780
Amortisation on acquired client relationships		(229)	(216)
Share based payments expense	9	(131)	-
Operating profit		3,745	5,564
Finance costs		(47)	(162)
Share of net profit/(loss) of associate accounted for using the equity method		13	(5)
Profit before taxation		3,711	5,397
Income tax expense	7	(174)	(159)
Profit for the financial period and total comprehensive income		3,537	5,238
Attributable to:			
Equity holders of the Company		3,467	5,117
Non-controlling interests		70	121
		3,537	5,238
Earnings per share attributable to the equity holders of the Company			
Basic	10	23.65p	35.08p
Diluted	10	23.52p	34.87p

All amounts shown in the condensed consolidated financial statements derive from continuing operations of the Group. The notes on pages 9 to 19 form part of these condensed consolidated financial statements.

¹ See note 8 for details regarding the prior period restatement.

² This represents operating profit before amortisation on acquired client relationships and share based payments expense. Trading profit is used by the Board to evaluate the performance of the Group.



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Notes	Unaudited 30 June 2022 £'000	Audited 31 December 2021 £'000
Non-current assets			
Goodwill	12	6,654	5,058
Other intangible assets		6,345	5,979
Property, plant and equipment		5,952	6,108
Right-of-use assets		582	621
Investment in associate		309	423
Total non-current assets		19,842	18,189
Current assets			
Inventory		25	28
Trade and other receivables	13	22,110	43,186
Trading investments - long positions		1,062	158
Cash and cash equivalents		10,018	11,196
Total current assets		33,215	54,568
Total assets		53,057	72,757
Non-current liabilities			
Borrowings	15	788	4,397
Deferred consideration		207	-
Lease liabilities		401	491
Total non-current liabilities		1,396	4,888
Current liabilities			
Borrowings	15	3,458	698
Lease liabilities		232	181
Tax payable		560	443
Provisions		412	413
Trade and other payables	14	15,167	35,354
Deferred consideration		668	786
Total current liabilities		20,497	37,875
Total liabilities		21,893	42,763
Net assets		31,164	29,994
Equity			
Called up share capital		148	148
Share premium account		15,057	15,051
Reserves		14,011	12,917
Capital and reserves attributable to equity holders of the Company		29,216	28,116
Non-controlling interests		1,948	1,878
Total equity		31,164	29,994

The condensed consolidated financial statements were approved by the Board of Directors on 19 October 2022 and signed on its behalf by:

Brian O'Mahoney Director

Rob Hutchinson Director

The notes on pages 9 to 19 form part of these condensed consolidated financial statements.



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

	Notes	Unaudited 30 June 2022 £'000	Restated Unaudited 30 June 2021 £'000
Cash flows from operations			
Operating profit		3,745	5,564
Adjustments for:			
(Gain) on adjustment to deferred consideration		(10)	(15)
Unrealised loss on trading investments		115	-
Depreciation and amortisation		560	683
Lease liability payments		(122)	(376)
Share based payments expense	9	131	-
Operating cash flows before movements in working capital		4,419	5,856
(Increase)/decrease in trading investments		(904)	110
Decrease in trade and other receivables - net of effects from acquisition of subsidiary	13	21,387	463
Decrease/(increase) in inventories		3	(10)
Decrease in trade and other payables - net of effects from acquisition of subsidiary	14	(20,398)	(947)
Cash generated by operations		4,507	5,472
Interest paid		(95)	(86)
Taxation paid		(58)	(93)
Net cash generated from operating activities		4,354	5,293
Cash flows from investing activities			
Acquisition of subsidiaries - net of cash acquired		(1,409)	-
Deferred consideration paid		(777)	(798)
Dividends received from associates		143	63
Purchase of other intangible assets		(114)	(119)
Purchase of property, plant and equipment		(28)	(24)
Net cash used in investing activities		(2,185)	(878)
Cash flows from financing activities			
Acquisition of own shares held in treasury	16	-	(237)
Award of own shares held in treasury and write-off of EBT loan		-	(15)
Proceeds from vesting of share options		6	16
Repayment of borrowings	15	(849)	(1,349)
Dividends paid		(2,504)	(2,152)
Net cash used in from financing activities		(3,347)	(3,737)
Net (decrease)/increase in cash and cash equivalents		(1,178)	678
Net cash and cash equivalents at the beginning of the period		11,196	10,129
Net cash and cash equivalents at the end of the period		10,018	10,807

The notes on pages 9 to 19 form part of these condensed consolidated financial statements.



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

	Notes	Called up share capital £'000	Share premium account £'000	Reserves £'000	Total attributable to equity holders of the Company £'000	Non-controlling interests £'000	Unaudited total equity £'000
31 December 2020		148	15,018	8,155	23,321	1,642	24,963
Adjustment to subsidiary post publishing of Group accounts		-	-	37	37	-	37
Total comprehensive income for the period	8	-	-	5,117	5,117	121	5,238
Own shares purchased in the period	16	-	-	(237)	(237)	-	(237)
Own shares awarded in the period	16	-	-	28	28	-	28
Exercise of share options		-	16	-	16	-	16
Write-off of EBT loan directly to equity		-	-	(43)	(43)	-	(43)
Dividends paid		-	-	(2,152)	(2,152)	-	(2,152)
30 June 2021 (Unaudited)		148	15,034	10,905	26,087	1,763	27,850
31 December 2021		148	15,051	12,917	28,116	1,878	29,994
Total comprehensive income for the period		-	-	3,467	3,467	70	3,537
Own shares purchased in the period	16	-	-	-	-	-	-
Own shares awarded in the period	16	-	-	781	781	-	781
Exercise of share options		-	6	(0)	6	-	6
Write-off of EBT loan directly to equity		-	-	(781)	(781)	-	(781)
Credit to equity for equity-settled share based payments	9	-	-	131	131	-	131
Dividends paid		-	-	(2,504)	(2,504)	-	(2,504)
30 June 2022 (Unaudited)		148	15,057	14,011	29,216	1,948	31,164

The notes on pages 9 to 19 form part of these condensed consolidated financial statements.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

1. Corporate information and nature of operations

Ravencroft Holdings Limited and its subsidiaries (together the “Group”) is an investment services business providing advisory investment, execution only trading, market making, discretionary investment management, institutional fund management, corporate finance, cash management, property investment and precious metals dealing and storage; to private and institutional clients; in Guernsey, Jersey, Isle of Man and the United Kingdom (“UK”).

2. General information and basis of preparation

These condensed consolidated financial statements for the 6 months ended 30 June 2022 (“the period”) should be read in conjunction with the Company’s consolidated financial statements for the year ended 31 December 2021 (“Group Annual Report”), which has been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union (“IFRS”).

These condensed consolidated financial statements have been prepared on the historical cost basis modified by the revaluation of certain financial instruments.

Statement of compliance

These condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34, ‘Interim Financial Reporting’ as adopted by the European Union and with the Listing Rules of the Exchange.

Seasonality

The impact of seasonality or cyclicity on operations is not regarded as significant to the condensed consolidated financial statements.

Estimates

The preparation of the condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Within these condensed consolidated financial statements, the significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that were applied in the Group Annual Report. The Group Annual Report can be found on the Group’s website at ravencroftgroup.com.

3. Significant accounting policies

The accounting policies used in arriving at these condensed consolidated financial statements are consistent with those followed in the preparation of the Group Annual Report which were prepared in accordance with IFRS.

4. Going concern

After making enquiries and reviewing the Group’s forecasts and projections, the Board of Directors (the “Directors” or “the Board”) have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least the next 12 months from the date of approval of these condensed consolidated financial statements. Forecast and projections included: reviewing repayment and servicing of borrowings, taking account of possible changes in trading performance, and stress testing such performance given the current geopolitical uncertainty. The Group therefore continues to adopt the going concern basis in preparing its condensed consolidated financial statements.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

5. Segment information

The Board currently identifies the Group's reportable segments as follows:

- the Channel Islands broking segment provides private client and institutional stockbroking services, along with market making services from divisions based in Guernsey and Jersey;
- the United Kingdom broking segment provides private client and institutional stockbroking services from a division based in the UK;
- the investment management segments provide private client investment management and institutional fund management services from divisions based in Guernsey, Jersey, Isle of Man and the UK;
- the corporate finance segments provide corporate finance services in Guernsey and the UK;
- the precious metals segment provides dealing and secure custody services of bullion from a division based in Guernsey; and
- the cash management segment provides discretionary cash management services from a division based in Guernsey.

Operating segment information for the period ended 30 June 2022:

	Broking revenue £'000	Investment management revenue £'000	Corporate finance revenue £'000	Precious metals revenue £'000	Cash management revenue £'000	Total revenue £'000	Profit for the period £'000
Channel Islands ¹	4,957	4,725	4,515	282	1,162	15,641	3,289
United Kingdom	1,459	620	-	-	-	2,079	264
Isle of Man	-	640	-	-	-	640	(16)
Group	6,416	5,985	4,515	282	1,162	18,360	3,537

¹Channel Islands includes Ravenscroft Optimal Portfolio Management Limited figures from 31 March 2022.

Operating segment information for the period ended 30 June 2021:

	Broking revenue £'000	Investment management revenue £'000	Corporate finance revenue £'000	Precious metals revenue £'000	Cash management revenue £'000	Total revenue £'000	Profit for the period £'000
Channel Islands	7,610	3,915	5,890	332	1,014	18,761	4,728
United Kingdom	1,460	643	-	-	-	2,103	483
Isle of Man	-	632	-	-	-	632	27
Group	9,070	5,190	5,890	332	1,014	21,496	5,238

Operating segment assets/(liabilities) for the period ended 30 June 2022:

	Non-current assets £'000	Current assets £'000	Total assets £'000	Non-current liabilities £'000	Current liabilities £'000	Total liabilities £'000
Channel Islands	12,442	30,620	43,062	(1,160)	(19,523)	(20,683)
United Kingdom	7,162	1,997	9,159	(33)	(806)	(839)
Isle of Man	238	598	836	(203)	(168)	(371)
Group	19,842	33,215	53,057	(1,396)	(20,497)	(21,893)



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

5. Segment information continued

Operating segment assets/(liabilities) for the period ended 31 December 2021:

	Non-current assets £'000	Current assets £'000	Restated Total assets £'000	Non-current liabilities £'000	Current liabilities £'000	Restated Total liabilities £'000
Channel Islands	10,758	51,455	62,213	(4,605)	(36,062)	(40,667)
United Kingdom	7,165	2,303	9,468	(60)	(1,582)	(1,642)
Isle of Man	266	810	1,076	(223)	(231)	(454)
Group	18,189	54,568	72,757	(4,888)	(37,875)	(42,763)

6. Administrative expenses

	Unaudited 30 June 2022 £'000	Restated Unaudited 30 June 2021 £'000
Personnel costs	7,496	8,077
Information technology costs	576	537
Legal & professional fees	777	442
Sponsorship	362	387
System implementation costs (note 8)	271	276
Sundry expenses	388	265
Travel and entertainment	269	50
Information research	295	272
Premises	264	233
Marketing	262	146
Total administrative expense	10,960	10,685

As a result of the prior period restatement disclosed in note 8, £113k of personnel expenses have been reclassified to system implementation costs with regard to the period ended 30 June 2021.

7. Taxation

Analysis of the tax charge

The tax charge on the profit for the period was as follows:

	Unaudited 30 June 2022 £'000	Unaudited 30 June 2021 £'000
Guernsey income tax on profits from the provision of investment management fees on individual client services	60	14
Jersey tax charge (based on Jersey branch profits)	37	30
UK corporation tax charge	77	115
Total income tax expense	174	159



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

7. Taxation continued

Reconciliation of tax charge

	Unaudited 30 June 2022 £'000	Unaudited 30 June 2021 £'000
Profit before tax	3,711	5,397
Guernsey intermediate rate of tax	10%	10%
Tax on profits at the Guernsey intermediate rate of tax	371	540
Effects of:		
- Higher tax rate applied to profits of UK subsidiaries	31	33
- Activities subject to 0% tax rate in Guernsey/Jersey/Isle of Man	(275)	(436)
- Non-deductible expense and other items	25	18
- Prior year under accrual of tax charge	22	4
Total income tax expense	174	159

8. Change in accounting policy

During the year ended 31 December 2021, the Group revised its accounting policy in relation to costs incurred in implementing Software-as-a-Service ("SaaS") arrangements in response to the International Financial Reporting Interpretations Committee ("IFRIC") agenda decision clarifying its interpretation of how current accounting standards apply to these types of arrangements. For full details and a breakdown of the restatements made, please refer to the Group Annual Report.

Retrospective restatement

As a result of the change in accounting policy disclosed above, historical financial information for the 6 month period ended 30 June 2021 has been restated as follows:

Statement of comprehensive income:

	Unaudited 30 June 2021 £'000	Adjustment £'000	Restated Unaudited 30 June 2021 £'000
Administrative expenses	10,521	164	10,685
Trading profit	5,944	(164)	5,780
Operating profit	5,728	(164)	5,564
Profit before taxation	5,561	(164)	5,397
Profit for the financial period and total comprehensive income	5,402	(164)	5,238
Attributable to:			
Equity holders of the Company	5,281	(164)	5,117

Basic and diluted earnings per share for the 6 month period ended 30 June 2021 have also been restated. The amount of the correction for basic and diluted earnings per share was a decrease of 1.12p and 1.11p per share respectively. The correction further affected the profit amounts disclosed in note 5, the statement of changes in equity and the cash flow statement.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

9. Share based payments and other employee benefits

The Group has share option plans used to award shares to employees as part of their remuneration package. The Group also makes other discretionary share based payments to employees for remuneration of services performed.

1,500 shares were awarded during the period in relation to a share option plan. For full details of this plan see the Group Annual Report.

Also during the period, a further 128,000 shares were awarded to employees, of which, 110,000 relate to the Group CEO - Jon Ravenscroft. This was part of a three-year retention plan, which recognised the performance of these individuals to date and their importance to the future business. The shares awarded are subject to a claw-back provision, which is linked to completion of service over the three years, beginning 4 April 2022. One third of the shares awarded are released from claw-back provision each year, on the anniversary of the award date. The associated expense of the share award is to be recognised over the service completion period.

The associated expense recognised during the period was £131k (2021: £Nil) and the total fair value of the 128,000 shares awarded was £896k (2021: £Nil), which was determined by a discounted share price at the time of award.

Share options

The Board of RHL agreed during the period to approve a share option plan for the Group CEO - Jon Ravenscroft, relating to the retention of his services. Details of the options and the associated vesting dates are outlined below. The options are exercisable at a price in accordance with the rules of the agreement on the date of grant. If the options remain unexercised after 1 January 2030, the options will expire. If the option holder ceases to be an employee or office holder within the Group, the options will lapse.

	Date of grant	Vesting date	Date of expiry	Remaining contractual life (months)	No. of share options	Estimated fair value £'000
Share option plan - CEO	Apr-22	Jan-25	Jan-30	96	444,817	128

The fair value of the options are estimated at grant date, using an appropriate valuation model.

Exercise price	1000p
Adjusted share price to reflect liquidity (20% discount)	700p
Expected volatility	13.1%
Expected share price growth	8.0%
Discount rate	0.6%



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

10. Earnings per share

	Unaudited 30 June 2022 £'000	Restated Unaudited 30 June 2021 £'000
Earnings		
Earnings for the purpose of basic and diluted earnings per share (net profit attributable to equity holders of the parent)	3,467	5,117
Number of shares		
	No.	No.
Weighted average number of shares for the purpose of basic earnings per share	14,659,624	14,588,524
Basic EPS (pence)	23.65	35.08
Effect of dilutive potential of ordinary shares	82,000	88,000
Weighted average number of shares for the purposes of diluted earnings per share	14,741,624	14,676,524
Diluted EPS (pence)	23.52	34.87

The dilution in both periods is a reflection of the future potential exercise of share options. As at the 30 June 2022 all outstanding share options, except those relating to the CEO plan, have a dilutive effect as they were in the money, as the then price of the Company's shares exceeded the exercise prices.

As a result of the prior period restatement disclosed in note 8, basic and diluted earnings per share figures for the 6 month period ended 30 June 2021 have also been restated.

11. Interests in other entities

Other than the below noted changes, the Group's interests in other entities remain unchanged since the year ended 31 December 2021:

On 31 March 2022, Ravenscroft Special Acquisitions Limited acquired 100% of the issued share capital and voting rights of MitonOptimal Portfolio Management (CI) Limited, a private limited company incorporated in Guernsey that provides discretionary asset management services. The entity was renamed Ravenscroft Optimal Portfolio Management Limited ("ROPML") upon acquisition.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

12. Business combinations

On 31 March 2022, Ravenscroft Special Acquisitions Limited acquired 100% of the issued share capital and voting rights of MitonOptimal Portfolio Management (CI) Limited, a private limited company incorporated in Guernsey that provides discretionary asset management services.

Initial cash consideration of £1.5m was paid on closing, with £875k of deferred consideration due to be paid over the following three years.

The preliminary purchase price, determined by the fair value of the consideration given at the date of the acquisition and the fair value of the net assets acquired on the date of the acquisition, was as follows:

Fair value of purchase consideration

	£'000
Initial consideration	1,500
Deferred consideration	875
Total consideration	2,375
Net assets acquired:	
Net assets of ROPML	226
Identifiable intangible assets	553
Less fair value of net identifiable assets upon acquisition	(779)
Goodwill on acquisition	1,596

On acquisition date, acquired client relationships of ROPML totalling £553k were capitalised as part of the business combination, which were recognised as separately identifiable intangible assets in the condensed consolidated statement of financial position.

Reconciliation of goodwill

	Unaudited 30 June 2022 £'000	Audited 31 December 2021 £'000
Opening balance - January	5,058	5,058
Additions	1,596	-
Closing balance	6,654	5,058

The addition in the period relates to the acquisition of ROPML on 31 March 2022. The Group tests goodwill bi-annually for impairment, or more frequently if there are indications that goodwill might be impaired.

13. Trade and other receivables

	Unaudited 30 June 2022 £'000	Audited 31 December 2021 £'000
Amounts falling due within one year:		
Prepayments and accrued income	8,806	10,808
Service contract asset	1,118	1,053
Market and client receivables	12,186	31,325
Total trade and other receivables	22,110	43,186



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

13. Trade and other receivables continued

The Directors consider that the carrying amount of trade and other receivables approximates their fair value. Large differences can arise in market and client receivables, due to the amount of open trades which is caused by dealing activity. This is normal in the course of business of the Group. All open trades have settled post period end.

	Unaudited 30 June 2022 £'000
Reconciliation of trade and other receivables acquired for cash flow:	
Opening trade and other receivables	43,186
Add:	
Trade and other receivables acquired in ROPML acquisition	311
Less:	
Closing trade and other receivables	(22,110)
Working capital cash flow movement	21,387

14. Trade and other payables

	Unaudited 30 June 2022 £'000	Audited 31 December 2021 £'000
Amounts falling due within one year:		
Accrued expenses	3,810	5,410
Deferred income	83	89
Market and client payables	11,274	29,855
Total trade and other payables	15,167	35,354

The Directors consider that the carrying amount of trade and other payables approximates their fair value. Large differences can arise in market and client payables, due to the amount of open trades which is caused by dealing activity. This is normal in the course of business of the Group. All open trades have settled post period end.

	Unaudited 30 June 2022 £'000
Reconciliation of trade and other payables acquired for cash flow:	
Closing trade and other payables	15,167
Less:	
Opening trade and other payables	(35,354)
Trade and other payables acquired in ROPML acquisition	(211)
Working capital cash flow movement	(20,398)



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

15. Borrowings

	Unaudited 30 June 2022			Audited 31 December 2021		
	Current £'000	Non-current £'000	Total £'000	Current £'000	Non-current £'000	Total £'000
Capped rate facility	3,008	-	3,008	248	2,884	3,132
Variable rate facility	450	788	1,238	450	1,513	1,963
Total borrowings	3,458	788	4,246	698	4,397	5,095

During the period, a £500k early prepayment was made on the variable rate facility with Investec Bank (Channel Islands) Limited. This was made outside of the scheduled payments required by the relevant loan agreement.

The capped rate facility relates to a £3.75m loan from Royal Bank of Scotland International ("RBSI") at 3% per annum over the Sterling Overnight Index Average ("SONIA"). The Company purchased an interest rate cap on the facility, limiting the effects of SONIA increases to 2%. The final repayment date is five years from date of drawdown, being 30 June 2023. The Group is currently appraising both repayment and refinancing options, with the consideration to current interest rates and ongoing market conditions.

The capped rate facility was originally agreed at a rate of 3% per annum over the London Interbank Offered Rate ("LIBOR"). With the cessation of LIBOR as a recognised industry benchmark as at 1 January 2022, a new agreement has been signed with RBSI, changing the interest benchmark to SONIA for the remaining length of the agreement. A further adjustment is also included in the new agreement which bridges the difference between LIBOR and SONIA. This minimises the effect of changing benchmarks and therefore means there is negligible difference in interest charges.

16. Own shares

The Ravenscroft 2015 Employee Benefit Trust ("REBT-2015")

As at 30 June 2022, REBT-2015 owned 98,500 (31 December 2021: 228,000) ordinary shares of £0.01 each. The REBT-2015 has waived its rights to receipt of dividends.

	Number of shares	Cost £'000
At 1 January 2021	211,970	1,280
Acquired in the period	39,530	237
Awarded in the period	(4,500)	(28)
At 30 June 2021 (Unaudited)	247,000	1,489
At 31 December 2021 (Audited)	228,000	1,375
Acquired in the period	-	-
Awarded in the period	(129,500)	(781)
At 30 June 2022 (Unaudited)	98,500	594

On 4 April 2022, the Group awarded shares to a number of employees. These shares are subject to a claw-back provision as discussed in note 9. As part of the claw-back provision, employees are required to complete a service period before having unconditional rights to the shares. If the required service period is not completed by the employee, the claw-back provision will take effect and shares will be due back to the Group. As at 30 June 2022, 128,000 shares were still subject to the claw-back provision.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

17. Controlling party and related party transactions

The Directors consider there to be no immediate or ultimate controlling party of the Company. The Group acts as market maker to the issuers of securities in which the Group held investments totalling £1.1m (31 December 2021: £0.2m).

Remuneration of key management personnel

The remuneration of the key management personnel of the Group is set out below in aggregate for each of the categories in IAS 24 - 'Related Party Disclosure'.

	Unaudited 30 June 2022 £'000	Unaudited 30 June 2021 £'000
Short-term employment benefits	3,061	2,098
Equity-based bonus award (note 9)	131	-

Transactions with Directors and staff

	30 June 2022	30 June 2021
Directors' interests in ordinary shares of Ravenscroft Holdings Limited		
Number of shares	2,743,550	2,580,050
Percentage interest in the Company's share capital	18.5%	17.4%

The current Directors received total dividends on ordinary shares held in the Company during the period of £458k (2021: £387k).

Investment services offered to Directors and staff

During the period ended 30 June 2022 and the year ended 31 December 2021, the Group has provided a range of investment services in the normal course of business to shareholders on normal third-party business terms. Directors and staff are eligible for discounts on some of the services provided. Revenues from services provided to Directors and staff, unless otherwise stated, are immaterial in relation to the overall operations of the Group.

Other related party transactions

Stephen Lansdown is a significant shareholder and ex-Chairman of the Company. PHL Limited, a client of the Group and company for which Stephen Lansdown is the ultimate controlling party, was charged a custody holding fee of £250k during the period ended 30 June 2022. The fee charged was at a standard market rate for the type of holding and service provided. The total fee paid did not include any discounts.

During the previous calendar year, the Company entered into a contract with Bristol Sport Limited to act as the main sponsor of the Bristol Bears for 2021/22 season. The ultimate controlling party of Bristol Sport Limited is Stephen Lansdown. The value of the contract is £500k, of which £250k was incurred and paid during the period ended 30 June 2022.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2022

18. Events after the end of the reporting period

Dividend

The Directors have declared a dividend of 11p per share in respect of the period 1 January 2022 to 30 June 2022, which was approved by the Board on 29 September 2022, and will be paid on 27 October 2022.

Operating system implementation

On 9 September 2022, the Board decided to halt its project of implementing a new operating system. As at 30 June 2022, the Group held financial statement line items associated with the project for the following amounts:

	Unaudited 30 June 2022 £'000
Non-current asset	
Other intangible assets:	
Software licences, purchased software and software development	240
Current assets	
Trade and other receivables:	
Prepayments and accrued income	1,011
Service contract asset	1,118
Total assets	2,369

The Group estimates that the financial impact will be an expense to profit or loss for the full value of these items, with the exception of prepayments and accrued income, where talks remain ongoing to the recoverability of this balance.

Director

On 10 October 2022, the Board appointed the current Group Chief Operating Officer, Robin Newbould, as an executive director of the Company and Managing Director of Operations. He will work alongside Mark Bousfield, Managing Director of Investments.

19. Approval of condensed consolidated financial statements

The condensed consolidated financial statements were approved by the Board on 19 October 2022.

