RAVENSCROFT
Stockbroking & Investment Management

UNAUDITED INTERIM REPORT 2014

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RAVENSCROFT
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FINANCIAL HIGHLIGHTS
INTERIM REPORT 2014

Turnover up

21%

to £4.55 million

(30 June 2013 £3.77 million)

Profit before taxation down

-23%

to £0.56 million

(30 June 2013 £0.73 million)

Assets under administration up

26%

to £1.45 billion

(30 June 2013 £1.15 billion)

Diluted earnings per share down

-28%

to 5.12p

(30 June 2013 7.13p)

Basic earnings per share down

-27%

to 5.38p

(30 June 2013 7.32p)

Interim dividend

The Board proposes an interim dividend of 4p per share

(30 June 2013 3.5p)

RAVENSCROFT
Stockbroking & Investment Management

Jon Ravenscroft
Chief Executive Officer
22 September 2014

CHIEF EXECUTIVE OFFICER'S REVIEW

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2014

They say that football is a game of two halves; well in that case for 2014 we are involved in a great match. It looks as if we are going to perform like my own team, Arsenal, in this year's FA Cup final. 2 - 1 down at half-time only to be 3 - 2 up by the final whistle. Having said that, our first half performance has been very credible and I know will provide a platform for what is already turning out to be an extremely exciting second half.

In general, market conditions during the first half have been reasonably stable, almost pausing for a rest after the upward movements of 2013. The major UK indexes have stayed very much where they were at the start of the year and the strength of the pound has dampened global equity performance in sterling terms. The UK economy continues to grow returning to pre-2008 levels even if Europe is showing signs of struggling, with Germany's rate of growth slowing, France's disappearing and Italy's going into reverse. The only note of caution I would add regarding the UK is whether we might be seeing the initial effects of quantitative easing only to later be visited with the problems of adopting such a potentially inflationary strategy.

As I have said before, our own performance at Ravenscroft has been very satisfactory during the first half of 2014. Turnover in the first half is up on last year although this is slightly flattering as it contains a number of high-value, low margin transactions where we have shared the commissions earned with third parties; if one were to adjust for this then turnover would be about level with last year. I am however very encouraged to see the 20% increase half year on half year in recurring revenue. It has always been a long term goal of ours to raise the proportion of our revenue that comes from repeatable business and the work that we have put into this aspect of our Group wide operations is now beginning to bear fruit. These income streams come from a number of different sources, management fees from running our equity and specialist funds, fees for providing advice and custody services to our private clients and retainers charged on our corporate finance and market making activities. In my view, these underlying changes turn our business into a much more robust and sustainable organisation better equipped to deal with market uncertainties which is the world of stock broking and investment management.

Overall our profits for the period are down. Although Gross Profit is broadly in line, there has been a slight increase in administrative expenses as we invest in the Group's future growth. We have made a significant investment in our operations in Jersey with the appointment of Haydn Taylor as CEO last December, and whilst the present figures for Jersey show a small loss in the first half, I am confident that the full year will show a profit. The Jersey team were actively involved in one of our recently completed second half transactions and their share of the fee generated will make a significant contribution to achieving this goal. We have also recently recruited Charlie Roger, who was previously at Canaccord, to head up our Guernsey broking operations. I am sure that once Charlie has settled in he will make a very significant contribution to pushing the Group's growth forward.

It has always been a long term goal of ours to raise the proportion of our revenue that comes from repeatable business and the work that we have put into this aspect of our Group wide operations is now beginning to bear fruit.

I am pleased to say that the long envisaged acquisition of A Vartan Limited gets ever closer and I expect to be able to announce the completion of this deal shortly. The UK regulator, the FCA, recently gave permission to the corporate restructuring that had to be undertaken prior to our acquisition; and we have now submitted our application to the FCA for a change in controller. We expect an answer from them very shortly. As your Chairman reported at the full year we continue to work very closely with all the employees at Vartan and this bodes well for future collaboration. During the period since we have been in discussion with Andrew Vartan and his colleagues, their funds under management have increased by some 50%. Once the deal has completed the acquisition will be earnings enhancing from day one and increase both the Group's assets under administration and recurring revenues.

Interim dividend

I am pleased to announce that your Board has declared an interim dividend of 4p (3.5p : 2013) per ordinary share, an increase of 14% on 2013, payable to shareholders for the six months ended 30 June 2014. We have been able to declare this increase due to our confidence about the future and the Group's recent profitability.

Event	Date
Ex-dividend date	8 October 2014
Record date	10 October 2014
Payment date	23 October 2014

Outlook

As I said at the start of this review, our performance this year is like a game of two halves. Not that we were, unlike Arsenal, struggling in the first half but the second half has started extremely well with two major transactions being completed since 30 June 2014 and a number of others moving close to completion. On 8 August 2014 we completed the acquisition of two properties by the Channel Islands Property Fund. This transaction has been the largest transaction we have carried out to date since divorcing from our former parent company. Through the management fee charged this also adds to our recurring revenue streams. We therefore look to the future with a high degree of confidence, however all of us here at Ravenscroft understand how things can quickly change and we will continue to work hard and be vigilant so that we do not let it slip, unlike Hull F.C.!

I am pleased to announce that your Board has declared an interim dividend of 4p (3.5p : 2013) per ordinary share, an increase of 14% on 2013, payable to shareholders for the six months ended 30 June 2014.

GROUP BUSINESS REVIEW

	H1 2014 £000	H1 2013 £000	Change
Revenue from third parties	**4,554**	3,766	+21%
recurring revenue	**1,982**	1,653	+15%
transactional revenue	**2,572**	2,113	+26%
Operating profit	**562**	732	-23%
Operating profit margin	**12.3%**	19.4%	-37%
Basic earnings per share	**5.38p**	7.32p	-26%
Diluted earnings per share	**5.12p**	7.13p	-28%
Assets under administration (£billions)	**£1.45bn**	£1.15bn	+26%

Turnover and operating profit

Ravenscroft Limited and its subsidiaries (the "Group") performed strongly in the first half of 2014 with turnover increasing 21% to £4.6m, primarily driven from higher broking commissions in Guernsey. In addition, recurring revenues increased by 20%, reflecting the 26% increase in Assets Under Administration ("AUA").

The overall increase in AUA has helped the Group decrease its reliance on transactional revenue despite the increase in trading volumes seen during the period.

However, profit before taxation fell by 23% reflecting the lower operating margins arising from significant commissions shared with third parties and marginally higher administrative expenses. In addition there was lower market making activity in the first 6 months of 2014 as compared to 2013.

Assets under administration

Total AUA rose 26% compared with 30 June 2013, as the value of segregated accounts increased by 27%, driven predominantly by growth in both Guernsey Broking and Asset Management segments. In addition, the managed retail funds increased by 22%.

Statement of financial position

As at 30 June 2014 the Group had net assets of £4.52m, including cash balances of £2.79m. Although our exposure to trading investments via our market making teams increased significantly due to short term positions held, they still remain minimal.

As is usual, our market and client receivables and payables balances are higher at the half year end than as at 31 December because of the higher volume of client trades seen in June as compared to the Christmas period. The decrease in accrued expenses reflects a decrease in deferred employee benefits as a consequence of the Group's lower profitability over the period.

Earnings per share

Basic earnings per share for the period were 5.38p compared with 7.32p for the six months ended 30 June 2013. Diluted earnings per share for the period were 5.12p compared with 7.13p for the comparative period.

OPERATIONAL REVIEW (continued)
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2014

GUERNSEY BROKING

	H1 2014 £000	H1 2013 £000	Change
Revenue from third parties	**3,215**	2,538	+27%
recurring revenue	**949**	796	+19%
transactional revenue	**2,266**	1,742	+30%
Operating profit	**391**	619	-37%
Operating profit margin	**12%**	24%	

Guernsey Broking includes private client and institutional stockbroking, market making and corporate finance activity.

Recurring revenues primarily represent management fees on AUA. These increased by 19% when compared to the same period in 2013, reflecting the increased value of segregated funds as well as the expanding property portfolio of the Channel Islands Property Fund.

Although transactional revenues saw a 30% increase as compared to 2013, this arose from a significant volume of stockbroking trades that saw most of the commission shared with third party agents. The end result of higher shared commissions is a significant drop in operating profit margins.

Finally, the market making activity of 2013, which by its very nature is non-recurring, has not been replicated in the first half of 2014.

The net impact of all this has resulted in a 37% decrease in operating profit in Guernsey Broking.

ASSET MANAGEMENT

	H1 2014 £000	H1 2013 £000	Change
Revenue from third parties	**927**	790	+17%
recurring revenue	**818**	667	+23%
transactional revenue	**109**	123	-11%
Operating profit	**183**	105	+74%
Operating profit margin	**20%**	13%	

The Asset Management segment comprises of our Guernsey-based investment management subsidiary, Ravenscroft Investment Management Limited, who offer a thematic investment style across their range of discretionary and advisory segregated mandate portfolios and also provide a range of themed fund-of-funds.

Asset management business drives recurring management fee income and the 23% increase reflects the increased AUA of both segregated funds and the managed fund-of-funds.

A relatively fixed operating cost base has resulted in most of the increased revenues flowing through to operating profit.

JERSEY BROKING

	H1 2014 £000	H1 2013 £000	Change
Revenue from third parties	**412**	438	-6%
recurring revenue	**215**	170	+26%
transactional revenue	**197**	268	-26%
Operating (loss) / profit	**(12)**	8	-250%
Operating profit margin	**-3%**	2%	

Jersey Broking provides stockbroking services to private clients.

Recurring revenues increased by 26% in 2014 as compared to the same period in 2013, reflecting increased AUA. However, non-recurring transactional fee income was not sustained at the same level of 2013.

The net decrease in revenues has resulted in an operating loss for the first six months of 2014.

Simon Melling
Chief Operating Officer
22 September 2014

DIRECTORS' REPORT
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2014

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties currently faced by the Group remain the same as those outlined in the 2013 Annual Report.

GOING CONCERN

The Board has prepared forecasts which demonstrate that the Group will continue to operate within its resources for at least 12 months after the reporting date. The information prepared has also been subject to sensitivity analysis designed to stress test the forecasts. As a result, the Board considers that the Group has adequate resources to meet its business needs and it is therefore appropriate to adopt the going concern basis in preparing these condensed consolidated financial statements.

FORWARD LOOKING STATEMENTS

These condensed consolidated financial statements contain forward-looking statements with respect to the financial condition, results, operations and businesses of the Group. Although the Group believes that the expectations reflected in these forward looking statements are reasonable, we can give no assurance that these expectations will prove to have been correct. Such statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by forward-looking statements and forecasts. Forward-looking statements and forecasts are based on the Directors' current view and information known to them at the date of this statement. The Directors do not make any undertaking to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

RESPONSIBILITY STATEMENT

The Board confirms that to the best of its knowledge:

- the condensed consolidated set of financial statements, which have been prepared in accordance with International Accounting Standard 34 - 'Interim Financial Reporting' as adopted by the European Union, give a true and fair view of the assets, liabilties, financial position and profit of the Group; and
- the Chief Executive Officer's Review, the Operational Review and Principal risks and uncertainties include a fair review of the development and performance of the business and the position of Ravenscroft Limited and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties for the remaining six months of the year; and
- the condensed consolidated financial statements include a fair review of the information required on related party transactions and any material changes in the related party transactions described in the last annual report.

Approved by the Board of Directors on 22 September 2014 and signed on its behalf by:

SIMON MELLING
DIRECTOR:

SUSIE FARNON
DIRECTOR:

INDEPENDENT REVIEW REPORT
TO RAVENSCROFT LIMITED

Introduction

We have been engaged by the Company to review the condensed set of consolidated financial statements in the half-yearly financial report for the period ended 30 June 2014, which comprises the condensed consolidated statement of comprehensive income, the condensed consolidated statement of financial position as at 30 June 2014, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows and associated notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of consolidated financial statements.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half yearly financial report in accordance with the Listing Rules of the Channel Islands Securities Exchange.

As disclosed in note 1, the annual financial statements of the Company are prepared in accordance with International Financial Reporting Standards, as adopted by the European Union. The condensed set of consolidated financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of consolidated financial statements in the half-yearly financial report based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of the Listing Rules of the Channel Islands Securities Exchange and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the International Auditing and Assurance Standards Board. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of consolidated financial statements in the half-yearly financial report for the period ended 30 June 2014 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Listing Rules of the Channel Islands Securities Exchange.

PricewaterhouseCoopers CI LLP
Chartered Accountants
St Peter Port
Guernsey

22 September 2014

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2014

	Notes	Unaudited 30 June 2014 £000	Unaudited 30 June 2013 £000
Revenue	4	**4,554**	**3,766**
Cost of sales		(1,492)	(691)
Gross profit		**3,062**	**3,075**
Administrative expenses		(2,500)	(2,343)
Operating profit		**562**	**732**
Finance income		1	3
Finance costs		(1)	-
Profit before taxation		**562**	**735**
Taxation	5	-	(3)
Profit for the period and total comprehensive income		**562**	**732**
Attributable to:			
Euity holders of the Company		562	732
Non-controlling interests		-	-
		562	**732**
Earnings per share			
Basic	6	5.38p	7.32p
Diluted	6	5.12p	7.13p

The notes on pages 16 - 27 form part of these unaudited financial statements.
All amounts shown in the unaudited financial statements derive from continuing operations of the Group.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Notes	Unaudited 30 June 2014 £000	Audited 31 December 2013 £000	Unaudited 30 June 2013 £000
Non-current assets				
Intangible assets	9	348	353	385
Property, plant and equipment	10	289	330	360
		637	**683**	**745**
Current assets				
Trading investments - long positions		129	40	24
Trade and other receivables	11	11,978	11,164	15,541
Cash and cash equivalents		2,791	2,098	2,541
		14,898	**13,302**	**18,106**
Total assets		**15,535**	**13,985**	**18,851**
Current liabilities				
Trade and other payables	12	11,017	9,969	15,411
Tax payable		-	-	3
		11,017	**9,969**	**15,414**
Net current assets		**3,881**	**3,333**	**2,692**
Total assets less current liabilities		**4,518**	**4,016**	**3,437**
Net assets		**4,518**	**4,016**	**3,437**
Equity				
Called up share capital	13	106	101	100
Share premium account		546	78	-
Reserves		3,866	3,837	3,337
Total equity		**4,518**	**4,016**	**3,437**

The condensed consolidated financial statements were approved by the Board of Directors on 22 September 2014 and signed on its behalf by:

SIMON MELLING
DIRECTOR:

SUSIE FARNON
DIRECTOR:

The notes on pages 16 - 27 form part of these unaudited financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2014

	Notes	Unaudited 30 June 2014 £000	Unaudited 30 June 2013 £000
Cash flows from operations			
Operating profit from continuing operations		562	732
Adjustments for:			
Depreciation of property, plant and equipment	10	54	61
Amortisation of intangible assets	9	47	37
Share based payment expense		44	-
Operating cashflows before movements in working capital		**707**	**830**
(Increase) / decrease in trading investments		(89)	154
(Increase) in receivables		(814)	(6,600)
Increase in payables		1,049	6,554
Cash generated by operations		**853**	**938**
Interest paid		(1)	-
Taxation paid		-	(1)
Net cash from operating activities		**852**	**937**
Cash flows from investing actvities			
Purchase of intangible assets	9	(43)	(119)
Purchase of property, plant and equipment	10	(13)	(22)
Other investing cash flows		1	3
Net cash used in investing activities		**(55)**	**(138)**
Cash flows from financing actvities			
Acquisition of own shares subsequently held in treasury		(19)	-
Disposal of own shares held in treasury		23	12
Issue of new share capital		473	-
Dividends paid	7	(581)	(299)
Net cash used in financing activities		**(104)**	**(287)**
Net increase in cash and cash equivalents		**693**	**512**
Cash and cash equivalents at beginning of period		**2,098**	**2,029**
Cash and cash equivalents at the end of the period		**2,791**	**2,541**

The notes on pages 16 - 27 form part of these unaudited financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2014

	Called up share capital £000	Share premium account £000	Reserves £000	Unaudited Total £000
At 31 December 2012 (Audited)	**100**	**-**	**2,892**	**2,992**
Total comprehensive income for the period	-	-	732	732
Own shares sold in the period	-	-	12	12
Profit on disposal of own shares	-	-	-	-
Dividends paid	-	-	(299)	(299)
At 30 June 2013 (Unaudited)	**100**	**-**	**3,337**	**3,437**
Total comprehensive income for the period	-	-	789	789
Own shares sold in the period	-	-	35	35
Profit on disposal of own shares	-	-	6	6
Own shares issued in the period	1	78	-	79
Credit to equity for equity-settled share based payments	-	-	22	22
Dividends paid	-	-	(352)	(352)
At 31 December 2013 (Audited)	**101**	**78**	**3,837**	**4,016**
Total comprehensive income for the period	-	-	562	562
Own shares purchased in the period	-	-	(19)	(19)
Own shares sold in the period	-	-	19	19
Profit on disposal of own shares	-	-	4	4
Own shares issued in the period	5	468	-	473
Credit to equity for equity-settled share based payments	-	-	44	44
Dividends paid	-	-	(581)	(581)
At 30 June 2013 (Unaudited)	**106**	**546**	**3,866**	**4,518**

There was no other recognised income or expense for the six months ended June 2014.

The notes on pages 16 - 27 form part of these unaudited financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2014

1. GENERAL INFORMATION

Ravenscroft Limited is a company incorporated with limited liablity in Guernsey and is listed on the Channel Islands Securities Exchange. The Group's principal activity is the provision of investment services.

Both the presentation and functional currency is Pounds Sterling as this is the currency where the Company is incorporated and predominantly trades.

2. BASIS OF ACCOUNTING

These condensed consolidated financial statements for the six months ended 30 June 2014 have been prepared on a going concern basis and in accordance with IAS34 - 'Interim Financial Reporting', as adopted by the European Union.

These condensed consolidated financial statements should be read in conjunction with the annual report for the year ended 31 December 2013, which have been prepared in accordance with International Financial Reporting Standards as adopted by the Eurpoean Union.

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

Seasonality
The impact of seasonality or cyclicality 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.

In preparing these condensed interim 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 applied to the consolidated financial statements for the year ended 31 December 2013.

3. 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's annual financial statments for the year ended 31 December 2013 which were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

4. SEGMENT INFORMATION

The Board (as the Chief Operating decision maker) currently identifies the Group's reportable segments for revenue and profit as follows:

- The Guernsey Broking segment provides private client and institutional broking services, market making and corporate finance services in Guernsey;
- The Jersey Broking segment provides private client and institutional broking services in Jersey;
- The Asset Management segment provides private client investment management and institutional fund management services.

Management monitors the operating results of business segments separately for the purpose of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on operating profit or loss. Finance income, finance costs and income taxes are managed on a group basis.

Revenues, assets and liabilities which are not directly attributable to the business activities of any operating segment are classified as unallocated. In the financial period under review, this applies to the Group's nominee company, Huntress (CI) Nominees Limited, and services company, Ravenscroft Services Limited..

	Guernsey Broking £000	Jersey Broking £000	Asset Management £000	Consolidated £000
Operating segment information for the period ended 30 June 2014:				
Revenues from external customers	3,215	412	927	4,554
EBITDA	492	(12)	183	663
Depreciation and amortisation				(101)
Operating profit				**562**
Finance income				1
Finance costs				(1)
Profit before tax				562
Tax				-
Profit for the period				**562**

	Guernsey Broking £000	Jersey Broking £000	Asset Management £000	Un-allocated* £000	Consolidated £000
Other segment information for the period ended 30 June 2014:					
Segment assets	13,191	457	733	1,154	15,535
Segment liabilities	9,903	-	87	1,027	11,017

* Un-allocated assets and liabilities include fixed assets and accrued expenses that are held centrally and as such not allocated to the business divisions.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2014

4. SEGMENT INFORMATION (continued)

	Guernsey Broking £000	Jersey Broking £000	Asset Management £000	Consolidated £000
Operating segment information for the period ended 30 June 2013:				
Revenues from external customers	2,538	438	790	3,766
EBITDA	717	8	105	830
Depreciation and amortisation				(98)
Operating profit				**732**
Finance income				3
Finance costs				-
Profit before tax				735
Tax				(3)
Profit for the period				**732**

	Guernsey Broking £000	Jersey Broking £000	Asset Management £000	Un-allocated* £000	Consolidated £000
Other segment information as at 31 December 2013:					
Segment assets	11,836	417	856	876	13,985
Segment liabilities	8,854	-	203	912	9,969

* Un-allocated assets and liabilities include fixed assets and accrued expenses that are held centrally and as such not allocated to the business divisions.

5. TAXATION

	Unaudited 30 June 2014 £000	Unaudited 30 June 2013 £000
The current tax charge comprised:		
Guernsey Income Tax at 0% based on profit for the period	-	-
Overseas tax charge borne by subsidiaries operating in other jurisdictions	-	3
	-	**3**

6. EARNINGS PER SHARE

	Unaudited 30 June 2014 £000	Unaudited 30 June 2013 £000
Earnings		
Earnings for the purpose of basic earnings per share (net profit attributable to equity holders of the parent)	562	732
Effect of dilutive potential of ordinary shares	-	-
Earnings for the purposes of diluted earnings per share	**562**	**732**

	Unaudited 30 June 2014 No.	Unaudited 30 June 2013 No.
Number of shares		
Weighted average number of shares for the purpose of basic earnings per share	10,439,102	10,000,000
Effect of dilutive potential of ordinary shares	532,692	265,306
Weighted average number of shares for the purposes of diluted earnings per share	10,971,794	10,265,306

The dilution arises from the potential exercise of share options.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2014

7. DIVIDENDS

	Unaudited 30 June 2014 £000	Unaudited 30 June 2013 £000
Amounts recognised as distributions to equity holders in the period:		
Final dividend for the year ended 31 December 2013 of 5.5p (31 December 2012: 3p) per share	581	299

The proposed interim dividend for 2014 of 4.0p (2013: 3.5p) per share was approved by the Board on 22 September 2014 and has not been included as a liability as at 30 June 2014. The dividend will be payable on 23 October 2014 to all shareholders on the register as at 10 October 2014.

8. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

The Company has investments in the following principal subsidiary undertakings:

	Country of registration	Principal activity	Proportion of shares held
Huntress (CI) Nominees Limited	Guernsey	Nominee company	100%
Ravenscroft Jersey Limited	Jersey	Provision of investment services	100%
Ravenscroft Investment Management Limited	Guernsey	Provision of investment services	100%
Ravenscroft Services Limited	Guernsey	Services company	100%

All these companies have been consolidated in the Group condensed consolidated financial statements.

9. INTANGIBLE ASSETS

At 30 June 2014 the Group had intangible assets with a net book value of £348,000 (30 June 2013: £385,000; 31 December 2013: £353,000). During the period the Group capitalised £43,000 (six month period 30 June 2013: £119,000; year ended 31 December 2013: £147,000) of spending on intangible assets which mostly related to software development. The amortisation for the period was £47,000 (six month period ended 30 June 2013: £ 37,000; year ended 31 December 2013: £97,000).

10. PROPERTY, PLANT AND EQUIPMENT

At 30 June 2014 the Group had property, plant and equipment with a net book value of £289,000 (30 June 2013: £360,000; 31 December 2013: £330,000). During the period the Group capitalised £13,000 (six month period 30 June 2013: £22,000; year ended 31 December 2013: £48,000) of spending on tangible assets which mostly related to IT equipment in Guernsey. The depreciation for the period was £54,000 (six month period ended 30 June 2013: £61,000 ; year ended 31 December 2013: £117,000).

11. TRADE AND OTHER RECEIVABLES

	Unaudited 30 June 2014 £000	Audited 31 December 2013 £000	Unaudited 30 June 2013 £000
Amounts falling due within one year:			
Prepayments and accrued income	1,296	1,374	967
Market and client receivables	10,682	9,790	14,574
	11,978	**11,164**	**15,541**

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

12. TRADE AND OTHER PAYABLES

	Unaudited 30 June 2014 £000	Audited 31 December 2013 £000	Unaudited 30 June 2013 £000
Amounts falling due within one year:			
Accrued expenses	745	1,053	1,047
Deferred income	31	31	41
Market and client payables	10,241	8,884	14,323
	11,017	**9,969**	**15,411**

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value.

13. SHARE CAPITAL

	Unaudited 30 June 2014 No.	Audited 31 December 2013 No.	Unaudited 30 June 2013 No.
Authorised:			
Ordinary shares of £0.01	15,000,000	12,000,000	12,000,000
Allotted, issued and fully paid:			
Ordinary shares of £0.01	10,582,000	10,087,500	10,000,000

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2014

13. SHARE CAPITAL (continued)

	Unaudited 30 June 2014 £000	Audited 31 December 2013 £000	Unaudited 30 June 2013 £000
Authorised:			
Ordinary shares of £0.01	150	120	120
Allotted, issued and fully paid:			
Ordinary shares of £0.01	106	101	100

The authorised share capital was increased to 15,000,000 at the Annual General Meeting held on 24 April 2014.

14. FINANCIAL INSTRUMENTS

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

The condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements. They should be read in conjunction with the Group's annual financial statements as at 31 December 2013.

There have been no changes in the risk management department or in any risk management policies since the year end.

Risk management activities
For details of the Group's risk management activities see the 2013 Annual Report.

Fair value heirarchy
The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 30 June 2014, the Group held the following financial instruments measured at fair value:

	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets at FVTPL (Unaudited)				
Trading investments - long positions	129	-	-	129

As at 31 December 2013, the Group held the following financial instruments measured at fair value:

	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets at FVTPL (Audited)				
Trading investments - long positions	40	-	-	40

During the six-month period ended 30 June 2014 there were no transfers between Level 1 and Level 2 fair value measurement, and no transfers into or out of Level 3 fair value measurement.

There were no changes in valuation techniques during the period.

The revaluation of investments is undertaken by the Group finance team, who price the movements using quoted market sources. The finance team reports to management on this process.

15. SHARE BASED PAYMENTS AND OTHER EMPLOYEE BENEFITS

The Company operates two Long Term Incentive Plans:

Long Term Incentive Plan - 2010 ("LTIP-2010")
A number of options have been granted under the terms of the LTIP. These options are exercisable at a price agreed in accordance with the rules of the scheme on the date of grant. The vesting date of the options is detailed below. If the options remain unexercised after 25 March 2020, the options will expire. If the option holder ceases to be an employee or office holder within the Group the options will lapse.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2014

15. SHARE BASED PAYMENTS AND OTHER EMPLOYEE BENEFITS (continued)

Details of the share options outstanding during the year in respect of all the above plans are as follows:

	Unaudited 30 June 2014		Audited 31 December 2013	
	Number of share options	Weighted average exercise price £	Number of share options	Weighted average exercise price £
Outstanding at the beginning of the period	1,573,450	1.11	1,720,000	1.11
Granted during the period	142,500	1.50	-	-
Exercised during the period	(494,500)	0.96	(87,500)	0.90
Lapsed during the period	-	-	(59,050)	1.44
Outstanding at the end of the period	**1,221,450**	**1.21**	**1,573,450**	**1.11**

	Date of grant	Vesting date	Date of expiry	Remaining contractual life (months)	30 June 2014 Number of share options	31 December 2013 Number of share options
Options exercisable at:						
£0.90 per share	Mar-10	Mar-10	Mar-20	69	418,950	833,450
£1.25 per share	Apr-11	Apr-11	Mar-20	69	405,000	485,000
£1.50 per share	Apr-11	Apr-11	Mar-20	69	255,000	255,000
£1.50 per share	Apr-14	Apr-14	Mar-20	69	142,500	-
					1,221,450	**1,573,450**

The options outstanding at 30 June 2014 have a weighted average exercise price of £1.21 (2013: £1.11) and a weighted average remaining contractual life of 69 months.

Long Term Incentive Plan - 2013 ("LTIP-2013")

On 30 September 2013 the Group granted share appreciation rights to the Executive Directors and to be nominated key employees.

The terms of the agreement are that the recipients of the share appreciation rights shall receive an equity settled bonus based on an increase in the market value of the Group as compared to key calculation dates. The key calculation dates being 30 September 2013, 30 September 2016, 30 September 2019, 30 September 2022 and the date on which there is a change in control of the Company.

The agreement can be viewed as having 3 tranches:

	Date of grant	Vesting date	Date of expiry	Remaining contractual life (months)	Estimated fair value
Tranche 1	Sep-13	Sep-16	Sep-16	27	157,438
Tranche 2	Sep-13	Sep-19	Sep-19	63	146,762
Tranche 3	Sep-13	Sep-22	Sep-22	99	108,429
					412,629

During the period the Group recognised expenses of £44,494 (2013: £nil) related to equity-settled share-based payment transactions with regard to issue of share appreciation rights.

16. OWN SHARES

The Group operates an Employee Benefit Trust (The Ravenscroft Employee Benefit Trust ("REBT")) which was established in 2010 to handle the purchase, holding and sale of Company shares for benefit of Directors and staff and to satisfy future share option obligations under the Group's share option scheme. As at 30 June 2014 REBT owned 3,850 (2013: 5,200) ordinary £0.01 shares with a book cost of £6,440 (2013: £6,291). The REBT has waived its rights to dividends.

	Unaudited 30 June 2014		Audited 31 December 2013	
	Number of shares	Cost £	Number of shares	Cost £
At 1 January	5,200	6,291	44,300	53,598
Acquired in the period	10,150	19,387	-	-
Disposed of in the period	(11,500)	(19,238)	(39,100)	(47,307)
	3,850	**6,440**	**5,200**	**6,291**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2014

17. CONTROLLING PARTY AND RELATED PARTY TRANSACTIONS

The Directors consider there to be no immediate and ultimate controlling party. Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are as follows:

Balance of transactions as at:

	Unaudited 30 June 2014 £000	Audited 31 December 2013 £000
Due from / (due to)		
Ravenscroft Investment Management Limited	(628)	(246)
Ravenscroft Jersey Limited	174	79
Ravenscroft Services Limited	473	102
Ravenscroft Employment Benefit Trust	6	6

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 2014 £000	Unaudited 30 June 2013 £000
Short-term employment benefits	277	305
Equity compensation benefits	44	4
	321	**309**

	30 June 2014	30 June 2013
Directors' interest in ordinary shares of Ravenscroft Limited:		
Number of shares	3,162,600	2,952,600
Percentage interest in the Company's share capital	29.9%	29.5%

	30 June 2014		30 June 2013	
	Number	Weighted avg exercise price	Number	Weighted avg exercise price
Directors' interest in share options of Ravenscroft Limited:				
Outstanding at the beginning of the period	290,000	125p	290,000	125p
Exercised during the period	(70,000)	90p	-	-
Lapsed during the period	-	-	-	-
Outstanding at the end of the period	**220,000**	**136p**	**290,000**	**125p**

18. EVENTS AFTER THE END OF THE REPORTING PERIOD

The Directors have proposed an interim dividend of 4p per share.

19. APPROVAL OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements were approved by the Board on 22 September 2014.

COMPANY INFORMATION
INTERIM REPORT 2014

DIRECTORS

A M Stewart (Chairman)
J R Ravenscroft (Chief Executive Officer)
S C Melling (Chief Operating Officer)
S A Farnon (Non-Executive Director)
D C Jones (Non-Executive Director)

COMPANY SECRETARY

D J McGall

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