



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



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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 Collette | <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>(appointed 10 October 2022)</i> | <i>(Group Managing Director of Operations)</i> |

COMPANY SECRETARY

D J McGall *(Group Company Secretary)*

REGISTERED OFFICE

PO Box 222
20 New Street
St Peter Port
Guernsey GY1 4JG

TISE LISTING SPONSOR

Carey Olsen Corporate Finance Limited
Carey House
Les Banques
St Peter Port
Guernsey GY1 4BZ

INDEPENDENT AUDITOR

PricewaterhouseCoopers CI LLP
Royal Bank Place
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.

