



**Ravenscroft
Holdings Limited
Unaudited Interim
Report**

for the six months
ended 30 June 2020

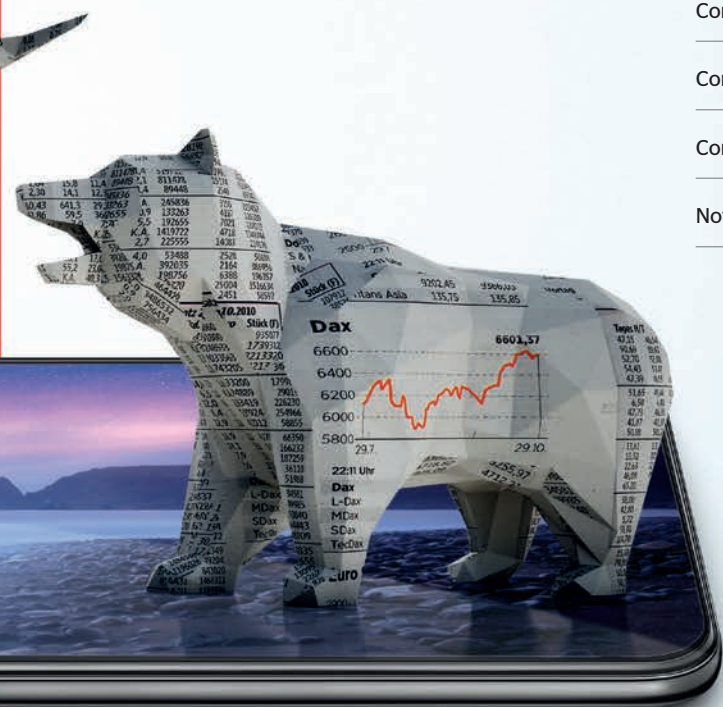




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COMPANY INFORMATION

INTERIM REPORT 2020

RAVENSCROFT HOLDINGS LIMITED (THE “COMPANY”)

DIRECTORS

S P Lansdown CBE

(Non-Executive Chairman)

D C Jones

(Independent Non-Executive Director)

C D Barling

(Non-Executive Director & Senior Independent Director)

R A Hutchinson

(Independent Non-Executive Director)

J R Ravenscroft

(Group Chief Executive Officer)

M L C Bousfield

(Group Managing Director)

B M O'Mahoney

(Group Finance Director)

COMPANY SECRETARY

D McGall

(Group Company Secretary)

REGISTERED OFFICE

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GROUP MANAGING DIRECTOR'S REVIEW

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2020

The first half of 2020 will be a period that most people won't forget in a hurry. As the world became gripped by a pandemic and millions of people were ordered to remain within the confines of their homes, financial markets crashed 30% and trillions of dollars were wiped off balance sheets across the globe. In a very short space of time, the landscape in which our investment business operates changed beyond recognition.

In true Ravenscroft spirit, our teams in Guernsey, Jersey and the UK rallied, relocated and adapted, and the result was quite extraordinary. Within days, we had moved from 100% of our people working across four fully equipped offices to the same number working from home without even the smallest interruption to the service that our clients received. At the beginning of the year, the idea that we would effectively be operating across more than 100 individual offices was inconceivable. Our team made this happen with minimal notice and the seamless transition has left us feeling prouder than ever of the robust and driven team that we have.



In amongst the global chaos, we remained focused on the job in hand. In March, as markets reached their nadir, we welcomed a large number of new clients as individuals and institutions sought to take advantage of cheaper prices and nervous sentiment. We moved fast to balance our regulatory requirements with a fragmented postal system and other logistical challenges. It is crucial to the success of our business that we have diverse revenue streams. This has been evidenced in group revenue over the first six months of the year. Whilst total revenue decreased by 4% to £13.84m (30 June 2019: £14.40m), the recurring revenue element increased by 6% to £9.49m (30 June 2019: £8.95m). The non-recurring revenue relating to the execution of stock market transactions also increased to £2.72m (30 June 2019: £1.75m). Unsurprisingly, the fall in non-recurring revenue came from certain large one-off transactions in Corporate Services (formerly called Corporate Finance) as deals were mothballed through lockdown. Looking forward, there are several exciting opportunities on the horizon that are being developed by the team. Elsewhere, our Huntress range of funds performed extremely well during turbulent markets; defending well on the downside and recovering losses quickly, which resulted in a strong performance relative to our peer group.

During the first quarter, Vartan Ravenscroft formally acquired Tees Investment Management Limited (TIML), an investment business based in Bishop's Stortford. This business sits alongside our existing Peterborough office and not only solidifies our UK base but also adds in excess of £200m of assets under management. During the second quarter, we announced that we were in the process of acquiring the Isle of Man business of WH Ireland plc. This second transaction gives Ravenscroft a solid foothold in an exciting new jurisdiction, and with this new business we welcome the expertise of six dedicated and experienced new colleagues.

In light of the acquisition of TIML and the related analysis of the goodwill calculation therein, we have revisited our interpretation of previous business combinations. As a result, we have concluded that it is more representative to recognise acquired client relationships separate from goodwill on those transactions. We have therefore recognised acquired client relationships (see note 11) and are amortising these over their estimated useful lives in the relevant prior periods. This is a non-cash adjustment and as a result does not impact trading profit, the key performance indicator that the Board uses to evaluate the financial performance of the business. It is the Board's belief that it will not affect future dividend decisions or indeed the share price as it is a technical International Financial Reporting Standards accounting adjustment.

Now that these transactions are complete, we plan to apply time and resource to bedding in the existing clients and teams to ensure that they become fully integrated with and supported by our Ravenscroft team. We plan to grow and develop these businesses and engage positively with their respective communities as we currently do in the Channel Islands and UK.

We also remain dedicated to improving our operational capabilities via the implementation of our new platform, Investcloud. This project continues behind the scenes and we remain very positive regarding the cost saving and scalability that this will provide us with once complete.

Financially, the business remains sound and our shareholders will be aware that we opted for a cautious approach in March by electing to pay a reduced dividend. Whilst heightened uncertainty still prevails, we are extremely pleased to be announcing a dividend of 10p, of which 5.5p is in respect of this period and 4.5p in recognition of the previously reduced dividend level.

Mark Bousfield
Group Managing Director



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2020

	Notes	Unaudited 30 June 2020 £'000	Unaudited 30 June 2019 Restated ¹ £'000
Recurring revenue		9,486	8,953
Non-recurring revenue		4,349	5,448
Revenue		13,835	14,401
Cost of sales		(2,097)	(1,779)
Gross profit		11,738	12,622
Administrative expenses		(7,415)	(7,956)
Depreciation and amortisation		(444)	(528)
Trading profit²		3,879	4,138
Amortisation on acquired client relationships	10, 11	(178)	(137)
Share-based payments expense		(15)	(33)
Operating profit		3,686	3,968
Finance costs		(187)	(148)
Share of net (loss)/profit of associates and joint ventures accounted for using the equity method		(333)	131
Profit before taxation		3,166	3,951
Income tax expense	6	(157)	(163)
Profit for the period and total comprehensive income		3,009	3,788
Attributable to:			
Equity holders of the Company		2,948	3,732
Non-controlling interests		61	56
		3,009	3,788
Earnings per share attributable to the equity holders of the Company			
Basic	7	21.19p	26.68p
Diluted	7	19.84p	24.70p

All amounts shown in the condensed consolidated financial statements derive from continuing operations of the Group.

The notes on pages 8 to 18 form part of these condensed consolidated financial statements.

¹See note 10 for details regarding the prior period restatement.

²This 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 2020

	Notes	Unaudited 30 June 2020 £'000	31 December 2019 Restated Audited £'000	1 January 2019 Restated Audited £'000
Non-current assets				
Goodwill	9	5,148	2,309	2,309
Other intangible assets	11	9,078	6,132	4,842
Property, plant and equipment		6,543	6,597	6,383
Right-of-use assets	14	700	699	-
Investment in associates and joint ventures		2,492	2,825	2,775
Total non-current assets		23,961	18,562	16,309
Current assets				
Trading investments - long positions		527	199	286
Trade and other receivables	12	40,188	10,858	17,114
Inventory		127	15	26
Cash and cash equivalents		7,855	7,411	5,127
Total current assets		48,697	18,483	22,553
Total assets		72,658	37,045	38,862
Non-current liabilities				
Borrowings	15	7,442	5,979	6,364
Lease liabilities	14	418	630	-
Total non-current liabilities		7,860	6,609	6,364
Current liabilities				
Trade and other payables	13	41,184	10,534	15,432
Tax payable		366	231	230
Borrowings	15	698	448	386
Lease liabilities	14	511	281	-
Total current liabilities		42,759	11,494	16,048
Total liabilities		50,619	18,103	22,412
Net assets		22,039	18,942	16,450
Equity				
Called up share capital		140	140	140
Share premium account		11,380	11,291	10,918
Reserves		8,949	6,982	4,947
Capital and reserves attributable to equity holders of the Company		20,469	18,413	16,005
Non-controlling interests		1,570	529	445
Total equity		22,039	18,942	16,450

The condensed consolidated financial statements were approved by the Board of Directors on 9 October 2020 and signed on its behalf by:

Brian O'Mahoney
Director

Rob Hutchinson
Director

The notes on pages 8 to 18 form part of these condensed consolidated financial statements.



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2020

	Notes	Unaudited 30 June 2020 £'000	Unaudited 30 June 2019 Restated £'000
Cash flows from operations			
Operating profit		3,686	3,968
Adjustments for:			
Depreciation, amortisation and impairment of right-of-use assets		622	665
Write-off of property, plant and equipment		-	59
Lease liability payments	14	(155)	(140)
Share based payments expense		15	33
Operating cash flows before movements in working capital		4,168	4,585
(Increase)/decrease in trading investments		(328)	214
Increase in trade and other receivables		(29,330)	(9,833)
(Increase)/decrease in inventories		(112)	8
Increase in trade and other payables		28,914	11,202
Cash generated by operations		3,312	6,176
Interest paid		(133)	(137)
Taxation paid		(22)	(45)
Net cash generated from operating activities		3,157	5,994
Cash flows from investing activities			
Investment in subsidiary		(3,594)	-
Investment from non-controlling interests		980	-
Dividends received from associates		-	242
Proceeds from dilution in investment in associate		-	30
Purchase of other intangible assets	11	(748)	(576)
Purchase of property, plant and equipment		(159)	(776)
Net cash used in investing activities		(3,521)	(1,080)
Cash flows from financing activities			
Acquisition of own shares held in treasury	16	(230)	(847)
Award of own shares held in treasury and write-off of EBT loan		-	(112)
Proceeds from vesting of share options		89	259
Net proceeds from/(repayment of) borrowings	15	1,713	(100)
Dividends paid		(709)	(1,700)
Withholding tax paid		(55)	(52)
Net cash generated from/(used in) financing activities		808	(2,552)
Net increase in cash and cash equivalents		444	2,362
Net cash and cash equivalents at the beginning of the period		7,411	5,127
Net cash and cash equivalents at the end of the period		7,855	7,489

The notes on pages 8 to 18 form part of these condensed consolidated financial statements.



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2020

	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
1 January 2019 pre-adjustment		140	10,918	5,343	16,401	445	16,846
Adjustment on restatement	10	-	-	(396)	(396)	-	(396)
Adjusted balance at 1 January 2019		140	10,918	4,947	16,005	445	16,450
Total comprehensive income for the period (restated)		-	-	3,732	3,732	56	3,788
Own shares purchased in the period		-	-	(847)	(847)	-	(847)
Own shares awarded in the period		-	-	438	438	-	438
Exercise of share options		-	259	-	259	-	259
Write-off of EBT loan directly to equity		-	-	(550)	(550)	-	(550)
Equity-settled share based payments		-	-	33	33	-	33
Dividends paid		-	-	(1,831)	(1,831)	-	(1,831)
30 June 2019 (Unaudited)		140	11,177	5,922	17,239	501	17,740
31 December 2019		140	11,291	7,652	19,083	529	19,612
Adjustment on restatement	10	-	-	(670)	(670)	-	(670)
Adjusted balance at 31 December 2019 (Restated audited)		140	11,291	6,982	18,413	529	18,942
Total comprehensive income for the period		-	-	2,948	2,948	61	3,009
Own shares purchased in the period	16	-	-	(230)	(230)	-	(230)
Own shares awarded in the period	16	-	-	145	145	-	145
Exercise of share options		-	89	-	89	-	89
Write-off of EBT loan directly to equity		-	-	(145)	(145)	-	(145)
Further investment by non-controlling interests		-	-	-	-	980	980
Equity-settled share based payments		-	-	15	15	-	15
Dividends paid		-	-	(766)	(766)	-	(766)
30 June 2020 (Unaudited)		140	11,380	8,949	20,469	1,570	22,039

The notes on pages 8 to 18 form part of these condensed consolidated financial statements.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2020

1. Corporate Information & Nature of Operations

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

2. General Information and Basis of Preparation

These condensed consolidated financial statements should be read in conjunction with the Group annual report for the year ended 31 December 2019, 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.

Other than the valuation of acquired client relationships and their estimated useful lives (see notes 9 & 11), 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 applied to the RHL Group's annual consolidated financial statements for the year ended 31 December 2019. These can be found on the Group's website at ravenscroftgroup.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 consolidated financial statements for the year ended 31 December 2019, which were prepared in accordance with IFRS. In addition, see the accounting policy on acquired client relationship intangible assets below.

Acquired client relationships

This intangible asset represents the fair value of future benefits accruing to the Group from acquired client relationships. The amortisation of client relationships is charged to the condensed consolidated statement of comprehensive income on a straight line basis over their estimated useful lives (10-25 years).

During the period ended 30 June 2020, the Group acquired client relationships totalling £2.5m, as part of a business combination (see note 9), which were recognised as separately identifiable intangible assets (see note 11) in the condensed consolidated statement of financial position. These related to the acquisition of Tees Investment Management Limited.



4. Going Concern

Globally, markets were severely impacted by the Covid-19 pandemic and reached their lowest points in late March 2020 (FTSE 100: 4,994 points). At this time, the Group ran numerous stress test scenarios on its ability to continue as a going concern and since then markets have rebounded and stabilised.

Stockbroking and trading activity increased sharply during the period, assisted by the volatility in the markets and this helped offset reduced fees that are tied to Assets Under Administration (“AUA”) levels. The Group’s diverse service offering has protected it against the full impact of market falls and offered clients the flexibility to move between asset classes. The Group successfully enacted its business continuity plan and employees in all jurisdictions were able to continue to service clients uninterrupted. In addition, the Group maintains a healthy cash position and so is well placed to weather any further market fluctuations.

The Directors 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. The Group therefore continues to adopt the going concern basis in preparing these condensed consolidated financial statements.

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 in Guernsey and Jersey;
- The United Kingdom broking segment provides private client and institutional broking services in the United Kingdom;
- The Investment Management segment provides private client investment management and institutional fund management services;
- The Corporate Services segment provides investment management services to the specialist funds, as well as consultancy and TISE listing sponsorship services to other corporate entities;
- The Precious Metals segment provides dealing and secure custody of bullion together with vault services for other high value collectibles; and
- The Cash Management segment provides discretionary cash management services.



Condensed Consolidated Financial Statements

5. Segment Information continued

Operating segment information for the period ended 30 June 2020:

	Broking - Channel Islands £'000	Investment Management £'000	Corporate Services £'000	Precious Metals £'000	Cash Manage- ment £'000	Unallocated' £'000	Channel Islands Total £'000	Broking - United Kingdom ² £'000	Consolidated £'000
Revenue	4,725	2,999	2,647	357	1,424	-	12,152	1,683	13,835
Operating profit	1,476	850	876	75	529	(422)	3,384	302	3,686
Finance costs	-	-	-	-	-	(187)	(187)	-	(187)
Share of net profit of associate and joint ventures	-	-	-	-	-	(333)	(333)	-	(333)
Profit before taxation	1,476	850	876	75	529	(942)	2,864	302	3,166
Income tax expense	(62)	(11)	-	-	(25)	-	(98)	(59)	(157)
Profit for the period	1,414	839	876	75	504	(942)	2,766	243	3,009
Segment assets	40,540	2,751	1,479	665	1,061	17,126	63,622	9,036	72,658
Segment liabilities	(36,192)	(274)	(123)	(259)	(41)	(11,399)	(48,288)	(2,331)	(50,619)

Operating segment information for the period ended 30 June 2019:

	Broking - Channel Islands £'000	Investment Management £'000	Corporate Services £'000	Precious Metals £'000	Cash Manage- ment £'000	Unallocated Restated £'000	Channel Islands Total £'000	Broking - United Kingdom £'000	Consolidated £'000
Revenue	4,141	2,558	4,446	269	1,644	-	13,058	1,343	14,401
Operating profit	1,185	524	2,160	49	726	(969)	3,675	293	3,968
Finance costs	-	-	-	-	-	(148)	(148)	-	(148)
Share of net profit of associate and joint ventures	-	-	-	-	-	131	131	-	131
Profit before taxation	1,185	524	2,160	49	726	(986)	3,658	293	3,951
Income tax expense	(45)	(23)	-	-	(25)	-	(93)	(70)	(163)
Profit for the period	1,140	501	2,160	49	701	(986)	3,565	223	3,788
Segment assets	27,860	1,979	1,061	602	1,412	18,494	51,408	1,034	52,442
Segment liabilities	(22,350)	(228)	(388)	(255)	(31)	(11,019)	(34,271)	(431)	(34,702)

¹ Unallocated operating profit includes share based payments expense and other central expenses. Unallocated assets and liabilities include goodwill, borrowings, and fixed assets and accrued expenses that are currently held centrally and as such are not allocated to the business segments.

² Included in the UK broking segment are the results from Tees Investment Management Limited from the date of acquisition on 14 February 2020 (see note 9).



6. Taxation

	Unaudited 30 June 2020 £'000	Unaudited 30 June 2019 £'000
Analysis of the tax charge		
The tax charge on the profit for the period was as follows:		
Guernsey tax charge	41	51
Jersey tax charge	57	42
UK corporation tax charge	59	70
Total income tax expense	157	163

7. Earnings per share

	Unaudited 30 June 2020 £'000	Unaudited 30 June 2019 Restated £'000
Earnings		
Earnings for the purpose of basic earnings per share (net profit attributable to equity holders of the parent)	2,948	3,732
Earnings for the purposes of diluted earnings per share	2,948	3,732
Number of shares		
	No.	No.
Weighted average number of shares for the purpose of basic earnings per share	13,910,580	13,986,659
Basic EPS (pence)	21.19	26.68
Potential dilutive effect of share options	945,075	1,119,570
Weighted average number of shares for the purposes of diluted earnings per share	14,855,655	15,106,229
Diluted EPS (pence)	19.84	24.70

The dilution arises from unexercised share options that are in issue. As at 30 June 2020 all outstanding share options have a dilutive effect, as they are in the money with the price of the Company's shares at 30 June 2020 exceeding the exercise price. All outstanding share options were also in the money as at 30 June 2019.



8. Interests in other entities

Other than the below noted changes, the Group's interests in other entities remain unchanged since year-end 31 December 2019:

- 100% owned subsidiaries Ravenscroft Capital Limited, Ravenscroft Project Management Limited and Ravenscroft Specialist Fund Management Limited, which were dormant at 31 December 2019, became operational from 1 June 2020 as part of the corporate services restructure within the Group.
- A Vartan Limited ("Vartan") acquired 100% of Tees Investment Management Limited ("TIML") on 14 February 2020. The Company and minority shareholder Mr A Vartan further invested into Vartan at their pre-existing ownership percentages, which enabled Vartan to acquire TIML.
- On 15 July 2020, the Company sold its 25% shareholding in MXC Capital (UK) Limited ("MXC") back to MXC Guernsey Limited, resulting in a loss of £356k.
- On 1 February 2020, 50% owned joint venture Tavira Ravenscroft SAM was placed into voluntary liquidation. The liquidation process had not completed by the period end.

9. Business Combinations

Summary of acquisition of Tees Investment Management Limited

On 14 February 2020, A Vartan Limited acquired 100% of the issued share capital and voting rights of Tees Investment Management Ltd ("TIML"), a private limited company incorporated in England that provides investment management services. On the same day, the Company and minority shareholder Mr A Vartan subscribed for additional shares in A Vartan Limited, resulting in each maintaining their existing ownership percentages of 75% and 25% respectively.

On acquisition date, acquired client relationships of TIML totalling £2.5m were capitalised as part of the business combination, which were recognised as separately identifiable intangible assets (see note 11) in the condensed consolidated statement of financial position.

Initial cash consideration of £3.6m was paid on closing with £1.7m of deferred consideration to be paid over the following two 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	3,594
Deferred consideration	1,715
Total purchase consideration	5,309
Net assets acquired:	
Net assets of TIML	-
Identifiable intangible assets	2,470
Less fair value of net identifiable assets upon acquisition	(2,470)
Goodwill on acquisition	2,839

Identifiable intangible assets of £2.5m were recognised and relate to acquired customer relationships.

The above amounts included in the purchase price allocation are preliminary. The purchase price and the fair value of the net assets acquired from TIML are estimates, which were made by management at the time of the preparation of these condensed consolidated financial statements based on available information. Amendments may be made to these amounts as well as the identification of intangible assets. Values based on estimates are subject to changes during the period ending 12 months after the acquisition date.



9. Business Combinations continued

The aggregate acquisition-related expenses incurred by the Group during the year in connection with the acquisition of TIML were £47k, which was comprised mainly of professional fees.

	Unaudited 30 June 2020 £'000	31 December 2019 Restated Audited £'000
Reconciliation of Goodwill		
Opening balance - January	2,309	2,309
Additions	2,839	-
Closing balance	5,148	2,309

The addition in the period relates to the acquisition of TIML on 14 February 2020. The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill may be impaired.

10. Restatement of Prior Periods

We have re-evaluated our interpretation and application of the accounting standard associated with business combinations as a result of the current period acquisition of TIML. A part of accounting for business combinations is the recognition and measurement of identifiable intangible assets and in the past we have not allocated a portion of the purchase price to the customer relationships acquired (which do meet the separability criterion of IFRS 3 *Business Combinations*), this was allocated in its entirety to goodwill.

Our reassessment has led to us recognising an amortisable intangible asset, with the corresponding reduction in carrying value of goodwill. These acquired client relationships (see note 11) are now being amortised over their estimated useful lives. This is a non-cash adjustment and does not impact trading profits, dividend decisions or share price.

This has been corrected by restating each of the affected financial statement line items for the prior periods as follows:

	31 December 2019 £'000	Adjustment £'000	31 December 2019 Restated £'000	1 January 2019 £'000	Adjustment £'000	1 January 2019 Restated £'000
Statement of financial position						
Goodwill	6,400	(4,091)	2,309	6,400	(4,091)	2,309
Acquired client relationships:						
Cost	-	4,091	4,091	-	4,091	4,091
Accumulated depreciation	-	(670)	(670)	-	(396)	(396)
Net book amount	-	3,421	3,421	-	3,695	3,695
Net assets	6,400	(670)	5,730	6,400	(396)	6,004
Reserves	7,652	(670)	6,982	5,343	(396)	4,947
Total equity	6,400	(670)	5,730	6,400	(396)	6,004



10. Restatement of Prior Periods continued

	30 June 2019 £'000	Adjustment £'000	30 June 2019 Restated £'000
Statement of comprehensive income			
Depreciation and amortisation	(528)	(137)	(665)
Profit before taxation	4,088	(137)	3,951
Income tax expense	(163)	-	(163)
Profit for the period and total comprehensive income	3,925	(137)	3,788
Attributable to:			
Equity holders of the Company	3,869	(137)	3,732
Non-controlling interests	56	-	56
	3,925	(137)	3,788

Basic and diluted earnings per share for the prior period have also been restated. The amount of the correction for basic and diluted earnings per share was a decrease of 0.98p and 0.91p per share respectively.

The correction further affected some of the amounts disclosed in note 5 Segment information.

11. Other intangible assets

	Acquired client relationships £'000	Purchased software and software development £'000	Software licences £'000	Total £'000
At 31 December 2019 (Restated, see note 10)				
Cost or fair value	4,091	3,592	116	7,799
Accumulated amortisation	(670)	(881)	(116)	(1,667)
Net book amount	3,421	2,711	-	6,132
Half-year ended 30 June 2020				
Opening net book amount	3,421	2,711	-	6,132
Additions in period	-	748	-	748
Additions on acquisitions of subsidiaries at fair value	2,470	-	-	2,470
Amortisation charge	(178)	(94)	-	(272)
Closing net book amount	5,713	3,365	-	9,078
At 30 June 2020				
Cost	6,561	4,340	116	11,017
Accumulated amortisation	(848)	(975)	(116)	(1,939)
Net book amount	5,713	3,365	-	9,078

During the period, the Group acquired client relationships totalling £2.5m, as part of a business combination (see note 9), which were recognised as separately identifiable intangible assets in the condensed consolidated statement of financial position. These related to the acquisition of Tees Investment Management Limited.



12. Trade and other receivables

	Unaudited 30 June 2020 £'000	Audited 31 December 2019 £'000
Amounts falling due within one year:		
Prepayments and accrued income	5,560	4,859
Market and client receivables	34,628	5,999
Total	40,188	10,858

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

The increase in market and client receivables is due to a higher number of large open trades at period end in the normal course of business. These trades have all settled post period end.

13. Trade and other payables

	Unaudited 30 June 2020 £'000	Audited 31 December 2019 £'000
Amounts falling due within one year:		
Accrued expenses	2,592	3,717
Deferred income	155	60
Market and client payables	36,722	6,757
Deferred consideration	1,715	-
Total	41,184	10,534

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

The increase in market and client payables is due to a higher number of large open trades at period end in the normal course of business. These trades have all settled post period end.



14. Leases

The Group has lease contracts for various office buildings used in the operations of the business. The amounts recognised in the financial statements in relation to leases are as follows:

Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

	Unaudited 30 June 2020 £'000	Audited 31 December 2019 £'000
Right-of-use assets		
Office buildings	700	699
Total right-of-use assets	700	699
Lease liabilities		
Non-current	418	630
Current	511	281
Total lease liabilities	929	911

Additions to the right-of-use assets during the period were £137k (2019: nil), which relate to the Tees Investment Management Limited lease (see note 9).

Amounts recognised in the consolidated statement of comprehensive income

The consolidated statement of comprehensive income shows the following amounts relating to leases:

	Unaudited 30 June 2020 £'000	Unaudited 30 June 2019 £'000
Depreciation and impairment charge of right-of-use assets		
Total depreciation charge of right-of-use assets	137	120
Total impairment charge of right-of-use assets	-	180
Interest expense	36	38
Expense relating to short-term leases	21	22

The total cash outflow for leases for the current period was £155k (2019: £140k).

15. Borrowings

	Unaudited 30 June 2020			Audited 31 December 2019		
	Current £'000	Non-Current £'000	Total £'000	Current £'000	Non-Current £'000	Total £'000
Capped rate facility	248	3,254	3,502	248	3,379	3,627
Variable rate facility	450	4,188	4,638	200	2,600	2,800
Total borrowings	698	7,442	8,140	448	5,979	6,427

During the period, a further £2m was drawn down on the variable rate facility with Investec Bank (Channel Islands) Limited to finance the Group's acquisition of TIML.



16. Own shares

The Ravenscroft 2015 Employee Benefit Trust (“REBT-2015”)

The Group established an employee benefit trust (the Ravenscroft 2015 Employee Benefit Trust (“REBT-2015”)) to handle the purchase, holding and sale of Company shares for the benefit of directors and staff and to satisfy future share option obligations under the Group’s share option scheme. As at 30 June 2020, REBT-2015 owned 86,970 (31 December 2019: 69,645) ordinary shares of £0.01 each with a book cost of £0.53m (31 December 2019: £0.45m). The REBT-2015 has waived its rights to dividends.

	Number of shares	Cost £'000
At 1 January 2019	-	-
Acquired in the period	134,605	847
Awarded in the period	(69,030)	(438)
At 30 June 2019 (Unaudited)	65,575	409
At 31 December 2019 (Audited)	69,645	445
Acquired in the period	40,000	230
Awarded in the period	(22,675)	(145)
At 30 June 2020 (Unaudited)	86,970	530

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 £0.5m (2019: £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 2020 £'000	Unaudited 30 June 2019 £'000
Short-term employment benefits	1,730	1,195
Equity compensation benefits	11	21

Transactions with Directors

	30 June 2020	30 June 2019
Directors’ interests in ordinary shares of Ravenscroft Holdings Limited		
Number of shares	6,257,907	6,242,907
Percentage interest in the Company’s share capital	44.7%	44.6%

The current Directors had interests in ordinary shares in RHL as at 31 December 2019 of 6,257,907 shares representing 44.7% interest in the share capital.

Directors’ interests in share options in Ravenscroft Holdings Limited

There has been no issue to or exercise of options over ordinary shares by the current Directors during the period.



18. Events after the end of the reporting period

On 15 July 2020, the Company sold its 25% shareholding in MXC Capital (UK) Limited back to MXC Guernsey Limited.

On 6 August 2020, Mr Stephen Lansdown, Chairman of the Company, purchased an additional 1,036,795 ordinary shares in the Company at 600 pence per ordinary share. As a result of this transaction, Mr Lansdown's interest in the Company has increased from 3,836,410 shares, or 27.43% of the Company's issued share capital, to 4,873,205 shares being 34.84% of the Company's issued share capital. Notwithstanding this, the Directors still consider there to be no immediate controlling party of the Company.

On 21 August 2020, the Company purchased 100% of the issued share capital of WH Ireland (IOM) Limited, an investment management company based in the Isle of Man. WH Ireland (IOM) Limited has been renamed Ravenscroft (IOM) Limited but will trade as Ravenscroft.

As part of the Group's name and brand harmonisation project, on 3 October 2020 A Vartan Limited (trading as Vartan Ravenscroft) was renamed Ravenscroft Investments (UK) Limited and on 6 October 2020 Ravenscroft Limited was renamed Ravenscroft (CI) Limited.

The 100% owned subsidiary Ravenscroft Consultancy & Listing Services Limited, which was dormant at 31 December 2019, became operational from 1 October 2020 as part of the corporate services restructure within the Group.

The Directors have declared a dividend of 5.5p per share in respect of the period 1 January 2020 to 30 June 2020, which was approved by the Board on 9 October 2020, and will be paid on 23 October 2020. A further 4.5p per share was declared in recognition of the reduced final 2019 dividend due to the impact of Covid-19.

19. Approval of condensed consolidated financial statements

The condensed consolidated financial statements were approved by the Board on 9 October 2020.

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