



**Ravenscroft
Holdings Limited
Unaudited Interim
Report**

for the six months
ended 30 June 2021



Ravenscroft will be the principal partner of Bristol Bears for a second season. Ahead of the 2021 / 2022 Premier League, some of the Ravenscroft team spent time with the players, coaches and support staff at Bristol Bears' High Performance Centre and then had a tour of Ashton Gate. This photo shows the Ravenscroft team surrounded by the Bears.





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COMPANY INFORMATION

INTERIM REPORT 2021

RAVENSCROFT HOLDINGS LIMITED (THE “COMPANY”)¹

DIRECTORS

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

D C Jones (appointed Chairman 8 July 2021)	<i>(Independent Non-Executive Chairman)</i>
C D Barling	<i>(Independent Non-Executive Director)</i>
R A Hutchinson	<i>(Independent Non-Executive Director)</i>
R A Collenette (appointed 25 March 2021)	<i>(Non-Executive Director)</i>
M T Kingston (appointed 1 June 2021)	<i>(Independent Non-Executive Director)</i>
J R Ravenscroft	<i>(Group Chief Executive Officer)</i>
M L C Bousfield	<i>(Group Managing Director)</i>
B M O’Mahoney	<i>(Group Finance Director)</i>

FORMER DIRECTORS

S P Lansdown CBE (retired 8 July 2021)	<i>(Non-Executive Chairman)</i>
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COMPANY SECRETARY

D J McGall	<i>(Group Company Secretary)</i>
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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”)



GROUP MANAGING DIRECTOR'S REVIEW

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021

Ravenscroft is delighted to report a strong first half of 2021 with assets under administration rising to £8.264 billion and profit before tax rising by 79.5% to £5.402 million year on year.

This is particularly pleasing given a background of rolling lockdowns and the operational complications of a COVID-19 world. Drivers of the Group's performance include several deals that have been executed by our corporate finance team, the full year effect of the acquisition of Bishop's Stortford and the inclusion of our Isle of Man business. Strong markets have also helped, dealing activity has remained high and the assets managed in our Ravenscroft fund range are up 13%. Due to a healthy cash position, we have also made a £1m early prepayment of debt, which will reduce future finance costs.

We continue to work on our long-term strategy of providing, where possible, our core services of execution only dealing, advisory and discretionary investment management, cash management and our precious metals service across all our jurisdictions and branches. This will ultimately be integrated into a single operating system and work on this is ongoing. As stated above, the corporate finance business has been particularly successful year to date and now has a UK presence.

In other developments, an internal team have been selected and delegated responsibility for our environment, social and governance ("ESG") requirements. Ravenscroft is constantly looking at ways to enhance and improve its working practices and processes. ESG factors are key areas the business considers when assessing such change and improvement.

As the world gradually emerges from the travel restrictions of the COVID-19 pandemic we will be able to spend more time with our colleagues around the Group, meet with our clients old and new and ensure that the service we provide continues to meet our clients' expectations.

Looking forward, the business is well placed for growth across all services and jurisdictions. We are pleased to declare a dividend of 10p for the period.



Mark
Bousfield
Group
Managing
Director

Mark Bousfield
Group Managing Director



CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021

	Notes	Unaudited 30 June 2021 £'000	Unaudited 30 June 2020 £'000
Recurring revenue		11,828	9,486
Non-recurring revenue		9,668	4,349
Total revenue		21,496	13,835
Cost of sales		(4,564)	(2,097)
Gross profit		16,932	11,738
Administrative expenses	6	(10,521)	(7,415)
Depreciation and amortisation		(467)	(444)
Trading profit¹		5,944	3,879
Amortisation on acquired client relationships		(216)	(178)
Share-based payments expense		-	(15)
Operating profit		5,728	3,686
Finance costs		(162)	(187)
Share of net loss of associates and joint ventures accounted for using the equity method		(5)	(333)
Profit before taxation		5,561	3,166
Income tax expense	7	(159)	(157)
Profit for the financial period and total comprehensive income		5,402	3,009
Attributable to:			
Equity holders of the Company		5,281	2,948
Non-controlling interests		121	61
		5,402	3,009
Earnings per share attributable to the equity holders of the Company			
Basic	8	36.20p	21.19p
Diluted	8	35.98p	19.84p

All amounts shown in the condensed consolidated financial statements derive from continuing operations of the Group. The notes on pages 8 to 14 form part of these condensed consolidated financial statements.

¹ 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 2021

	Notes	Unaudited 30 June 2021 £'000	Audited 31 December 2020 £'000
Non-current assets			
Goodwill		5,058	5,058
Other intangible assets		9,820	10,004
Property, plant and equipment		6,236	6,449
Right-of-use assets		710	857
Investment in associates and joint ventures		309	377
Total non-current assets		22,133	22,745
Current assets			
Inventory		21	11
Trade and other receivables	10	35,556	35,856
Trading investments - long positions		249	359
Cash and cash equivalents		10,807	10,129
Total current assets		46,633	46,355
Total assets		68,766	69,100
Non-current liabilities			
Borrowings	12	5,745	7,094
Lease liabilities		540	615
Trade and other payables	11	-	772
Total non-current liabilities		6,285	8,481
Current liabilities			
Borrowings	12	698	698
Lease liabilities		218	485
Tax payable		404	337
Provisions		413	413
Trade and other payables	11	31,733	32,722
Total current liabilities		33,466	34,655
Total liabilities		39,751	43,136
Net assets		29,015	25,964
Equity			
Called up share capital		148	148
Share premium account		15,034	15,018
Reserves		12,070	9,156
Capital and reserves attributable to equity holders of the Company		27,252	24,322
Non-controlling interests		1,763	1,642
Total equity		29,015	25,964

The condensed consolidated financial statements were approved by the Board of Directors on 28 September 2021 and signed on its behalf by:

Brian O'Mahoney
Director

Rob Hutchinson
Director

The notes on pages 8 to 14 form part of these condensed consolidated financial statements.



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021

	Notes	Unaudited 30 June 2021 £'000	Unaudited 30 June 2020 £'000
Cash flows from operations			
Operating profit		5,728	3,686
Adjustments for:			
Depreciation and amortisation		683	622
Lease liability payments		(376)	(155)
Share based payments expense		-	15
Operating cash flows before movements in working capital		6,035	4,168
Decrease/(increase) in trading investments		110	(328)
Decrease/(increase) in trade and other receivables		300	(29,330)
(Increase) in inventories		(10)	(112)
(Decrease)/increase in trade and other payables		(1,761)	28,914
Cash generated by operations		4,674	3,312
Interest paid		(86)	(133)
Taxation paid		(93)	(22)
Net cash generated from operating activities		4,495	3,157
Cash flows from investing activities			
Investment in subsidiary		-	(3,594)
Investment from non-controlling interests		-	980
Dividends received from associates		63	-
Purchase of other intangible assets		(119)	(748)
Purchase of property, plant and equipment		(24)	(159)
Net cash used in investing activities		(80)	(3,521)
Cash flows from financing activities			
Acquisition of own shares held in treasury	13	(237)	(230)
Award of own shares held in treasury and write-off of EBT loan		(15)	-
Proceeds from vesting of share options		16	89
Net (repayment of)/proceeds from borrowings	12	(1,349)	1,713
Dividends paid		(2,072)	(709)
Withholding tax paid		(80)	(55)
Net cash (used in)/generated from financing activities		(3,737)	808
Net increase in cash and cash equivalents		678	444
Net cash and cash equivalents at the beginning of the period		10,129	7,411
Net cash and cash equivalents at the end of the period		10,807	7,855

The notes on pages 8 to 14 form part of these condensed consolidated financial statements.



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021

	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 2019		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	13	-	-	(230)	(230)	-	(230)
Own shares awarded in the period	13	-	-	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
31 December 2020		148	15,018	9,156	24,322	1,642	25,964
Adjustment to subsidiary post publishing of Group accounts		-	-	37	37	-	37
Total comprehensive income for the period		-	-	5,281	5,281	121	5,402
Own shares purchased in the period	13	-	-	(237)	(237)	-	(237)
Own shares awarded in the period	13	-	-	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	12,070	27,252	1,763	29,015

The notes on pages 8 to 14 form part of these condensed consolidated financial statements.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2021

1. Corporate Information & Nature of Operations

Ravenscroft 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 should be read in conjunction with the Group annual report for the year ended 31 December 2020, 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 Company’s consolidated financial statements for the year ended 31 December 2020. 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 2020 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 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 global pandemic. The Group therefore continues to adopt the going concern basis in preparing its 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 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 segment provides corporate finance services from divisions based in Guernsey and Jersey;
- 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 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	4,892
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	5,402

Operating segment information for the period ended 30 June 2020:

	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	4,725	2,999	2,647	357	1,424	12,152	2,766
United Kingdom ¹	1,229	454	-	-	-	1,683	243
Group	5,954	3,453	2,647	357	1,424	13,835	3,009

¹ United Kingdom includes Ravenscroft (Bishops Stortford) Limited figures from 14 February 2020.



5. Segment Information continued

Operating segment assets/(liabilities) for the period ended 30 June 2021:

	Non-current assets £'000	Current assets £'000	Total assets £'000	Non-current liabilities £'000	Current liabilities £'000	Total liabilities £'000
Channel Islands	14,644	44,089	58,733	(5,977)	(31,682)	(37,659)
United Kingdom	7,195	1,851	9,046	(78)	(1,602)	(1,680)
Isle of Man	294	693	987	(230)	(182)	(412)
Group	22,133	46,633	68,766	(6,285)	(33,466)	(39,751)

Operating segment assets/(liabilities) for the period ended 31 December 2020:

	Non-current assets £'000	Current assets £'000	Total assets £'000	Non-current liabilities £'000	Current liabilities £'000	Total liabilities £'000
Channel Islands	15,199	43,533	58,732	(8,130)	(32,032)	(40,162)
United Kingdom	7,224	2,105	9,329	(102)	(2,345)	(2,447)
Isle of Man	322	717	1,039	(249)	(278)	(527)
Group	22,745	46,355	69,100	(8,481)	(34,655)	(43,136)

6. Administrative expenses

	Unaudited 30 June 2021 £'000	Unaudited 30 June 2020 £'000
Personnel costs	8,189	5,675
Information technology costs	537	443
Legal & professional fees	442	342
Sponsorship	387	71
Sundry expenses	315	273
Information research	272	272
Premises	233	191
Marketing	146	148
Total administrative expense	10,521	7,415



7. Taxation

Analysis of the tax charge

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

	Unaudited 30 June 2021 £'000	Unaudited 30 June 2020 £'000
Guernsey tax charge	14	41
Jersey tax charge	30	57
UK corporation tax charge	115	59
Total income tax expense	159	157

8. Earnings per share

	Unaudited 30 June 2021 £'000	Unaudited 30 June 2020 £'000
Earnings		
Earnings for the purpose of basic and diluted earnings per share (net profit attributable to equity holders of the parent)	5,281	2,948
Number of shares		
	No.	No.
Weighted average number of shares for the purpose of basic earnings per share	14,588,524	13,910,580
Basic EPS (pence)	36.20	21.19
Effect of dilutive potential of ordinary shares	88,000	945,075
Weighted average number of shares for the purposes of diluted earnings per share	14,676,524	14,855,655
Diluted EPS (pence)	35.98	19.84

The dilution in both periods is a reflection of the future potential exercise of share options. As at the 30 June 2021 all outstanding share options have a dilutive effect as they were in the money, as the then price of the Company's shares exceeded the exercise prices.

9. Interests in other entities

Other than the below noted changes, the Group's interests in other entities remain unchanged since year-end 31 December 2020:

- 70% owned subsidiary Ravenscroft Capital (UK) Limited, which was incorporated on 11 March 2021. The company is yet to begin trading as it is waiting on final approvals from the Financial Conduct Authority. It has been formed as part of the Group's expansion of its corporate finance services into the UK.
- 100% owned subsidiary of Ravenscroft Strategic Acquisitions Limited, a special purpose entity. Ravenscroft Strategic Acquisitions Limited is a holding company which was dormant as at 30 June 2021.



10. Trade and other receivables

	Unaudited 30 June 2021 £'000	Audited 31 December 2020 £'000
Amounts falling due within one year:		
Prepayments and accrued income	8,256	5,937
Market and client receivables	27,300	29,919
Total	35,556	35,856

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.

11. Trade and other payables

	Unaudited 30 June 2021 £'000	Audited 31 December 2020 £'000
Amounts falling due within one year:		
Accrued expenses	7,016	3,776
Deferred consideration	772	813
Deferred income	98	94
Market and client payables	23,847	28,039
Total	31,733	32,722
Amounts falling due later than one year:		
Deferred consideration	-	772
Total	-	772

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.

The increase in accrued expenses is predominantly due to a significant shared commission payable to a third party, which also correlates with an increase in the Group's cost of sales. This liability has been settled post period end.



12. Borrowings

	Unaudited 30 June 2021			Audited 31 December 2020		
	Current £'000	Non-current £'000	Total £'000	Current £'000	Non-current £'000	Total £'000
Capped rate facility	248	3,007	3,255	248	3,131	3,379
Variable rate facility	450	2,738	3,188	450	3,963	4,413
Total borrowings	698	5,745	6,443	698	7,094	7,792

During the period, a £1m 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.

13. Own shares

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

As at 30 June 2021, REBT-2015 owned 247,000 (31 December 2020: 211,970) 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 2020	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
At 31 December 2020 (Audited)	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

14. 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 £0.2m (31 December 2020: £0.4m).

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 2021 £'000	Unaudited 30 June 2020 £'000
Short-term employment benefits	2,098	1,730
Equity compensation benefits	-	11



14. Controlling party and related party transactions continued

Transactions with Directors and staff

	Unaudited 30 June 2021	Unaudited 30 June 2020
Directors' interests in ordinary shares of Ravenscroft Holdings Limited		
Number of shares	8,529,801	6,257,907
Percentage interest in the Company's share capital	57.5%	44.7%

The current Directors received total dividends on ordinary shares held in the Company during the period of £1.3m (2020: £0.3m).

The figures stated as at 30 June 2021 and for the period of 2021 are inclusive of Stephen Lansdown.

Investment services offered to Directors and staff

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 £212k during the period ended 30 June 2021. 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.

Otherwise, revenues from services provided to Directors and staff were immaterial in relation to the overall operations of the Group for the period ended 30 June 2021.

Other related party transactions

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 2020/21 season. The ultimate controlling party of Bristol Sport Limited is Stephen Lansdown, a significant shareholder and ex-Chairman of the Company. The value of the contract is £500k, of which £250k was incurred and paid during the period ended 30 June 2021.

15. Events after the end of the reporting period

On 8 July 2021, at the Company's Annual General Meeting, Stephen Lansdown retired as Chairman and Non-Executive Director of the Board. Dominic Jones was appointed in his stead.

On 14 July 2021, the Company received the outstanding deferred consideration of £1.09m for the sale of MXC Capital (UK) Limited in 2020.

The Directors have declared a dividend of 10p per share in respect of the period 1 January 2021 to 30 June 2021, which was approved by the Board on 23 September 2021, and will be paid on 19 October 2021.

16. Approval of condensed consolidated financial statements

The condensed consolidated financial statements were approved by the Board on 28 September 2021.

www.ravenscroftgroup.com



ravenscroftgroup.com