

15 June 2022

**AssetCo plc**

(“AssetCo” or the “Company”)

**2022 Half-year Report**

**for the six months ended 31 March 2022**

**Key highlights**

- Two acquisitions announced to expand AssetCo’s listed equity platform and to build a private markets capability:
  - River and Mercantile Group (“RMG”)
  - Revera Asset Management
- Progress made at underlying businesses:
  - Rize ETF – three additional strategies launched and positive net inflows in each month
  - Saracen Fund Managers – improvement in positioning and performance
  - Parmenion – strong profit growth, with growth prospects improved through broadening of investment offering
- Assets under Management: £12.2 billion (following completion of River and Mercantile acquisition)
- Proposed 13.0p interim dividend expected to be declared in Q4 2022

**Campbell Fleming, Chief Executive Officer of AssetCo plc, commented:**

*“We have made good progress in developing AssetCo’s listed equity platform, private markets capability and thematic ETF business. At the same time, Parmenion, which provides investment solutions to advisers and their clients, has expanded. The current market environment, alongside the structural shifts taking place within the asset and wealth management sector, supports a strategy of building an agile asset and wealth manager, uninhibited by legacy issues, to meet the needs of investors.”*

*“There is still much to do, but we have the people, products and the financial strength to deliver for clients and shareholders alike. We will continue to invest in our existing businesses, assess strategic opportunities that will add value to our capabilities, and focus on generating organic growth.”*

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Ticker: AIM: ASTO.L

## **CHAIRMAN'S STATEMENT**

The six months ended 31 March 2022 was a period of building and growing, following a transformational financial year for AssetCo, during which the Company was transformed into an asset and wealth management business and agreed to acquire interests in four businesses.

There are numerous structural shifts taking place within the asset and wealth management industry driven by changing investor needs, demographics, an evolving approach to savings products, the use of technology and digitalisation, and a continuing pressure on fees. These are presenting both challenges and opportunities. AssetCo is focused on identifying and building on a limited number of growth opportunities and in unlocking value from the repositioning of more traditional asset managers. Of particular relevance are high conviction active equities, ESG/sustainable strategies and thematic investing, and private markets capabilities.

### **Financials**

The Income Statement for the six months ended 31 March 2022 shows revenue of £1.3 million (31 March 2021: nil) and a loss before taxation of £2.6 million (31 March 2021: profit £22.3 million), which is in line with our expectations as we continue to build the business. The profit in 2021 principally arose from the final payment received from the successful litigation claim against Grant Thornton.

Net assets at 31 March 2022 were £55.6 million (31 March 2021: £31.1 million). This uplift in net assets includes the investment gain in RMG shares of £1.2 million, where the Company held 5.85% of the issued equity share capital prior to the acquisition and the goodwill recognised on investments in Rize ETF and Saracen totalling £19.8 million.

### **Building Active Equity and Private Markets platforms**

In January 2022, the Company announced an offer to acquire River and Mercantile Group by way of a scheme of arrangement for effectively £95.3 million, to be satisfied by the issue of around 6 million new AssetCo shares. The offer was conditional on the sale of River and Mercantile's UK Solutions business and a subsequent £190 million return of capital to shareholders, both of which have now occurred. The acquisition received overwhelming support from both River and Mercantile and AssetCo shareholders at their respective General Meetings and has received regulatory approval from the Financial Conduct Authority. Completion of the acquisition and the issue of the new AssetCo shares takes place today.

River and Mercantile has an established and well-respected equities team that manages around £2.7 billion of Assets under Management (AuM). Importantly, the acquisition also provides the foundation stone to building a private markets business given its infrastructure investment team.

Significant progress has already been made in terms of right-sizing the River and Mercantile business post the sale of the UK Solutions business. Material cost efficiencies have been identified, with a large proportion being implemented. It is hoped that, due to the actions being taken both on cost and building new revenue, River and Mercantile can be returned to profitability by early 2023.

Separately, in February 2022 the Company announced the acquisition of Revera Asset Management for £2.8 million, to be satisfied through a mix of new AssetCo shares and cash. Revera has

approximately £103 million of AuM and is based in Edinburgh. The acquisition of Revera is conditional on regulatory approval from the Financial Conduct Authority, which is expected shortly. The proposed acquisition of Revera, along with that of Saracen Fund Managers last year, demonstrates our desire to have a strong presence in Scotland, given the talent and expertise located there.

Subject to regulatory approval and completion, River and Mercantile, Saracen Fund Managers and Revera will form the Company's listed equity platform, offering a range of UK, smaller companies, European and Global capabilities. Individual teams will continue to employ their existing investment processes, but will benefit from sharing research, ESG analysis, distribution and marketing resources. This should result in a more efficient and cost effective platform.

### **Progress of existing businesses**

The last six months has been a challenging period for financial markets. Despite this, all of the Company's existing businesses have made good progress.

Since the Company acquired Rize in July 2021, the business has successfully launched three new thematic strategies – Digital Payments Economy, Pet Care and Emerging Market Internet and Ecommerce. The business now offers eight ETFs with total AuM of \$512.9 million and, despite a challenging market environment, recorded net inflows in each of the six months to 31 March 2022.

During the period under review, Parmenion, a B2B investment and advisory platform to the UK wealth and IFA sector, broadened the range of managed portfolio solutions that are available on its platform. It has added strategies managed by LGT Wealth Management, Tatton Investment Management and Dimensional. The platform's AuM was £9.4 billion at 31 March 2022, and has been relatively robust given the volatility in financial markets, but should see growth over the calendar year.

In May 2022, Parmenion published its annual report and accounts for the 12 months ended 31 December 2021, which provided a good overview of the business and its potential. Year-on-year management and custody fees grew from £29.6 million to £35.6 million – an increase of 21%. There was a significant increase in underlying profit to £4.6 million. AuM grew by 17.2%, from £8.2 billion to £9.6 billion. Parmenion partners with over 1,500 advisers providing investment solutions to over 80,000 underlying clients.

Following the acquisition of Saracen in July 2021, the business has been relaunched with an updated brand. At 31 March 2022, AuM was £113.2 million.

### **Capital structure and dividend policy**

We intend to write to shareholders shortly with proposals to instigate a sub-division of the Company's ordinary shares of 10p each ("Ordinary Shares") on a basis to be determined. Such a sub-division would increase the number of Ordinary Shares in issue and the Board believes this would reduce the Company's share price to a level where smaller sized dealings in Ordinary Shares would be more efficient. It should also improve the liquidity, spread and marketability of the Ordinary Shares to a wider group of investors.

The Board recognises the importance some investors attach to receiving a regular income from their shareholdings. It is, therefore, expected that the Company declares a 13.0p interim dividend in Q4 2022. Thereafter, the Company intends to adopt a progressive dividend policy.

### **Board and Corporate Broker**

I would like to welcome Jonathan Dawson to the Board further to the completion of the acquisition of River and Mercantile. Jonathan was previously Chairman of River and Mercantile. He started his career in the Ministry of Defence before joining Lazard, the investment bank, where he spent over 20 years. He left Lazard in 2005 and co-founded Penfida Limited, the leading independent corporate finance advisor to pension funds. Jonathan's experience and expertise will be a valuable addition to the Board.

In April, the Company announced the appointment of Numis as Nominated Adviser and Joint Broker. The Company also appointed Panmure Gordon as Joint Broker. The Board and I are grateful to the team at Arden Partners, our former Nominated Adviser, for their advice and hard work over the years and wish them well for the future.

### **Outlook**

The Company continues to make good progress in executing on its strategy. The Company is also in sound financial shape and following completion of the acquisition of, and return of capital from, River and Mercantile, the Group will have net cash of more than £45 million.

The acquisition of River and Mercantile results in the Group having investments in businesses with total AuM of £12.2 billion, with genuine strength in active equities and thematic strategies, together with an embryonic private markets business. Our aim in relation to the integration of the businesses is to develop an operating model which will improve scalability, drive material cost synergies and strengthen distribution.

**Martin Gilbert**

Chairman

15 June 2022

**AssetCo plc**  
Consolidated Income Statement  
for the six month ended 31 March 2022

	Notes	<b>Six months ended</b>	Year ended	
		<b>Unaudited 31 March 2022 £'000</b>	Unaudited 31 March 2021 £'000	Audited 30 Sept 2021 £'000
Revenue	<b>3</b>	<b>1,285</b>	-	408
Cost of sales		<b>(1,767)</b>	-	(536)
<b>Gross (loss)/profit</b>		<b>(482)</b>	-	(128)
Other income	<b>4</b>	-	22,388	22,388
Administrative expenses		<b>(5,261)</b>	(766)	(7,967)
<b>Operating (loss)/profit</b>		<b>(5,743)</b>	21,622	14,293
Share of net profits of associate accounted for using equity method		<b>1,512</b>	-	-
Investment income	<b>5</b>	<b>1,590</b>	645	1,844
Finance costs		-	(8)	(8)
<b>(Loss)/profit before income tax</b>	<b>6</b>	<b>(2,641)</b>	22,259	16,129
Income tax charge	<b>7</b>	-	-	(1,442)
<b>(Loss)/profit for the year</b>		<b>(2,641)</b>	22,259	14,687
<b>(Loss)/profit attributable to:</b>				
Owners of the parent		<b>(2,252)</b>	22,259	14,796
Non-controlling interest		<b>(389)</b>	-	(109)
		<b>(2,641)</b>	22,259	14,687
<b>Earnings per Ordinary Share attributable to the owners of the parent during the year</b>		<b>Pence</b>	Pence	Pence
<b>From continuing operations</b>				
Basic	<b>8</b>	<b>(26.73)</b>	284.72	180.57
Diluted	<b>8</b>	<b>(23.91)</b>	284.72	161.05

**AssetCo plc**  
Consolidated Statement of Comprehensive Income  
for the six month ended 31 March 2022

	<b>Six months ended</b>		Year ended
	<b>Unaudited</b>	Unaudited	Audited 30
	<b>31 March</b>	31 March	Sept
	<b>2022</b>	2021	2021
	<b>£'000</b>	£'000	£'000
<b>(Loss)/profit for the year</b>	<b>(2,641)</b>	22,259	14,687
<b>Other comprehensive (loss)/income:</b>			
Currency translation differences	-	(10)	(7)
<b>Other comprehensive income (net of tax)</b>	<b>-</b>	<b>(10)</b>	<b>(7)</b>
<b>Total comprehensive income for the period</b>	<b>(2,641)</b>	22,249	14,680
Attributable to:			
Owners of the parent	<b>(2,252)</b>	22,249	14,799
Non-controlling interests	<b>(389)</b>	-	(109)
<b>Total comprehensive income for the year</b>	<b>(2,641)</b>	22,249	14,680

**AssetCo plc**  
Consolidated Statement of Financial Position  
as at 31 March 2022

	Notes	Unaudited 31 March 2022 £'000	Unaudited 31 March 2021 £'000	Audited 30 Sept 2021 £'000
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment		27	-	16
Intangible assets		20,051	-	20,067
Investments accounted for using the equity method	9	23,383	-	-
<b>Total non-current assets</b>		<b>43,461</b>	-	20,083
<b>Current assets</b>				
Trade and other receivables		636	230	607
Financial assets at fair value through profit and loss	10	13,200	10,800	12,000
Current income tax receivable		3	-	3
Cash and cash equivalents		3,634	21,324	26,902
<b>Total current assets</b>		<b>17,473</b>	21,554	39,512
<b>Total assets</b>		<b>60,934</b>	32,354	55,595
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Deferred tax liabilities		49	-	49
<b>Total non-current liabilities</b>		<b>49</b>	-	49
<b>Current liabilities</b>				
Trade and other payables		1,973	1,251	1,972
Loan due to related party		1,000	-	-
Current income tax liabilities		1,437	-	1,437
<b>Total current liabilities</b>		<b>4,908</b>	1,251	3,409
<b>Total liabilities</b>		<b>4,957</b>	1,251	3,458
<b>Equity attributable to owners of the parent</b>				
Share capital		843	653	843
Share premium		27,770	3,274	27,770
Capital redemption reserve		653	653	653
Merger reserve		2,762	-	2,762
Other reserves		7,977	-	5,496
Retained earnings		16,640	26,523	18,892
		<b>56,645</b>	31,103	56,416
<b>Non-controlling interest</b>		<b>(668)</b>	-	(279)
<b>Total equity</b>		<b>55,597</b>	31,103	56,137
<b>Total equity and liabilities</b>		<b>60,934</b>	32,354	55,595

**AssetCo plc**  
Consolidated Cash Flows  
for the six month ended 31 March 2022

	<b>Six months ended</b>		Year ended
	<b>Unaudited 31 March 2022 £'000</b>	Unaudited 31 March 2021 £'000	Audited 30 Sept 2021 £'000
<b>Cash flow from operating activities</b>			
Cash generated by operations (note 11)	<b>(2,768)</b>	19,381	16,755
Cash released in respect of bonds	-	1,126	1,104
Finance costs	-	(8)	(8)
<b>Net cash generated by operating activities</b>	<b>(2,768)</b>	20,499	17,851
<b>Cash flow from investing activities</b>			
Payments for acquisition of subsidiaries, net of cash acquired	-	-	(16,460)
Payments to acquire associated undertakings	<b>(21,871)</b>	-	-
Dividends received from financial assets held at fair value	<b>390</b>	-	194
Interest income	-	-	-
Purchase of property, plant and equipment	<b>(14)</b>	-	(8)
Purchase of intangibles	<b>(6)</b>	-	(1)
<b>Net cash used in investing activities</b>	<b>(21,501)</b>	-	(16,275)
<b>Cash flow from financing activities</b>			
Proceeds from issuance of ordinary shares	-	-	25,103
Costs of share issue	-	-	(515)
Payments for shares bought back	-	(26,850)	(26,850)
Buy-back transaction costs	-	(171)	(171)
Short-term loan from related party	<b>1,000</b>	-	-
<b>Net cash flow from financing activities</b>	<b>1,000</b>	(27,021)	(2,523)
<b>Net change in cash and cash equivalents</b>	<b>(23,269)</b>	(6,522)	(947)
Cash and cash equivalents at beginning of year	<b>26,902</b>	27,860	27,860
Exchange differences on translation	-	(14)	(11)
<b>Cash and cash equivalents at end of year</b>	<b>3,633</b>	21,324	26,902



**AssetCo plc**  
Consolidated Statement of Changes in Equity  
*for the six month ended 31 March 2022*

	Share capital	Share premium account	Capital redemption reserve	Merger reserve	Other reserve	Retained earnings	Total	Non-controlling interest	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>At 1 October 2020</b>	<b>1,221</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,124</b>	<b>32,345</b>	<b>-</b>	<b>32,345</b>
<b>Comprehensive income</b>									
Profit for the period	-	-	-	-	-	22,259	22,259	-	22,259
<b>Other comprehensive income/(expense)</b>									
Currency translation differences	-	-	-	-	-	(10)	(10)	-	(10)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,249</b>	<b>22,249</b>	<b>-</b>	<b>22,249</b>
Share-based payments – success fee	85	3,445	-	-	-	-	3,530	-	3,530
Share buy-back	(653)	-	653	-	-	(26,850)	(26,850)	-	(26,850)
Costs of share buy-back	-	-	-	-	-	(171)	(171)	-	(171)
<b>At 31 March 2021</b>	<b>653</b>	<b>3,445</b>	<b>653</b>	<b>-</b>	<b>-</b>	<b>26,352</b>	<b>31,103</b>	<b>-</b>	<b>31,103</b>
<b>Comprehensive income</b>									
Loss for the period	-	-	-	-	-	(7,463)	(7,463)	(109)	(7,572)
<b>Other comprehensive income</b>									
Currency translation differences	-	-	-	-	-	(3)	(3)	-	(3)
<b>Total comprehensive (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7,460)</b>	<b>(7,460)</b>	<b>(109)</b>	<b>(7,569)</b>
Proceeds from share issue	173	24,840	-	-	-	-	25,013	-	25,013
Costs of share issue	-	(515)	-	-	-	-	(515)	-	(515)
Shares issued on acquisition	17	-	-	2,762	-	-	2,779	-	2,779
Share-based payments - LTIP	-	-	-	-	5,496	-	5,496	-	5,496
Non-controlling interest on acquisition	-	-	-	-	-	-	-	(170)	(170)
<b>At 30 September 2021</b>	<b>843</b>	<b>27,770</b>	<b>653</b>	<b>2,762</b>	<b>5,496</b>	<b>18,892</b>	<b>56,416</b>	<b>(279)</b>	<b>56,137</b>
<b>Comprehensive income</b>									
Loss for the period	-	-	-	-	-	(2,252)	(2,252)	(389)	(2,641)
<b>Total comprehensive (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,252)</b>	<b>(2,252)</b>	<b>(389)</b>	<b>(2,641)</b>
Share-based payments - LTIP	-	-	-	-	2,481	-	2,481	-	2,481
<b>At 31 March 2022</b>	<b>843</b>	<b>27,770</b>	<b>653</b>	<b>2,762</b>	<b>7,977</b>	<b>16,640</b>	<b>56,645</b>	<b>(668)</b>	<b>55,977</b>

## **NOTES FORMING PART OF THE INTERIM FINANCIAL STATEMENTS**

### **1. General information and basis of presentation**

AssetCo Plc (“AssetCo” or the “Company”) is a public limited company incorporated and domiciled in England and Wales. The address of its registered office is Singleton Court Business Park, Wonastow Road, Monmouth, Monmouthshire, NP25 5JA.

The Group’s principal activity is the development of an asset and wealth management business.

The financial information in the Half-year Report has been prepared using the recognition and measurement principles of the international accounting standards in conformity with the requirements of the Companies Act 2006 (“IFRS”). The principal accounting policies used in preparing the Half-year Report are those the Company expects to apply in its financial statements for the year ending 30 September 2022 and are unchanged from those disclosed in the Annual Report and Financial Statements for the year ended 30 September 2021 with the exception that following the acquisition of 30% of Parmenion Capital Partners LLP on 1 October 2021 the Group has adopted IFRS 10 in respect of accounting for Associated undertakings.

The financial information for the six months ended 31 March 2022 and the six months ended 31 March 2021 is unaudited and does not constitute the Group’s statutory financial statements for those periods. The comparative financial information for the full year ended 30 September 2021 has, however, been derived from the audited statutory financial statements for that period. A copy of those statutory financial statements has been delivered to the Registrar of Companies.

While the financial figures included in this Half-year Report have been computed in accordance with IFRSs applicable to interim periods, this Half-year Report does not contain sufficient information to constitute an interim financial report as that term is defined in IAS 34.

The financial statements have been presented in sterling to the nearest thousand pounds (£’000), except where otherwise indicated.

### **2. Going concern**

At the time of approving the financial statements, the Directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

### **3. Segmental reporting**

The core principle of IFRS 8 ‘Operating segments’ is to require an entity to disclose information that enables users of the financial statements to evaluate the nature and financial effects of the business activities in which the entity engages and the economic environments in which it operates. Segment information is therefore presented in respect of the company’s commercial competencies, Active Specialists, High-Growth Thematics and Digital Platforms and Head Office Costs.

All revenues are earned in the UK. The Directors consider that the chief operating decision maker is the Board.

The amounts provided to the Board with respect to net assets are measured in a manner consistent with that of the financial statements. The Company is domiciled in the UK and also operated out of a branch in UAE. Unallocated comprises the assets and liabilities of AssetCo, including the UAE business with Head Office costs identified separately.

The segment information provided to the Board for the reportable segments is as follows:

<b>Period ended 31 March 2022 unaudited</b>	<b>Active specialists £'000</b>	<b>High- growth thematics £'000</b>	<b>Digital platforms £'000</b>	<b>Head office £'000</b>	<b>Unallocated £'000</b>	<b>Total £'000</b>
<b>Revenue</b>						
Management fees	424	-	-	-	-	424
Marketing fees	-	861	-	-	-	861
<b>Total revenue</b>	<b>424</b>	<b>861</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,285</b>
<b>Operating result before adjustments</b>	<b>(6)</b>	<b>(1,229)</b>	<b>1,512</b>	<b>(969)</b>	<b>-</b>	<b>(692)</b>
Share-based payments - LTIP	-	-	-	-	(2,493)	(2,493)
Exceptional costs	-	-	-	-	(1,046)	(1,046)
<b>Operating profit/(loss)</b>	<b>(6)</b>	<b>(1,229)</b>	<b>1,512</b>	<b>(969)</b>	<b>(3,539)</b>	<b>(4,231)</b>
Investment income	-	-	-	-	1,590	1,590
Finance costs	-	-	-	-	-	-
Profit/(loss) before tax	(6)	(1,229)	1,512	(969)	(1,949)	(2,641)
Income tax	-	-	-	-	-	-
<b>Profit/(loss) for the year</b>	<b>(6)</b>	<b>(1,229)</b>	<b>1,512</b>	<b>(969)</b>	<b>(1,949)</b>	<b>(2,641)</b>
<b>Segment assets</b>						
Total assets	3,523	20,346	23,383	-	14,682	60,934
Total liabilities	(48)	(304)	-	-	(4,604)	(4,956)
<b>Total net assets</b>	<b>3,475</b>	<b>20,042</b>	<b>23,383</b>	<b>-</b>	<b>10,078</b>	<b>55,978</b>
Depreciation	-	3	-	-	-	3
Amortisation	2	20	-	-	-	22
Total capital expenditure	-	20	-	-	-	20

<b>Period ended 31 March 2021 unaudited</b>	<b>Active specialists £'000</b>	<b>High- growth thematics £'000</b>	<b>Digital platforms £'000</b>	<b>Head office £'000</b>	<b>Unallocated £'000</b>	<b>Total £'000</b>
<b>Revenue</b>						
Management fees	-	-	-	-	-	-
Marketing fees	-	-	-	-	-	-
<b>Total revenue</b>	-	-	-	-	-	-
<b>Operating result</b>						
<b>before adjustments</b>	-	-	-	(460)	-	(460)
Other income	-	-	-	-	22,388	22,388
Share-based payments - LTIP	-	-	-	-	-	-
Exceptional costs	-	-	-	-	(306)	(306)
<b>Operating profit/(loss)</b>	-	-	-	(460)	22,082	21,622
Investment income	-	-	-	-	645	645
Finance costs	-	-	-	-	(8)	(8)
Profit before tax	-	-	-	(460)	22,719	22,259
Income tax	-	-	-	-	-	-
<b>Retained profit</b>	-	-	-	(460)	22,719	22,259
<b>Segment assets</b>						
Total assets	-	-	-	-	32,354	32,354
Total liabilities	-	-	-	-	(1,251)	(1,251)
<b>Total net assets</b>	-	-	-	-	31,103	31,103
Total capital expenditure	-	-	-	-	-	-
<b>Year ended 30 September 2021 audited</b>						
	<b>Active specialists £'000</b>	<b>High- growth thematics £'000</b>	<b>Digital platforms £'000</b>	<b>Head office £'000</b>	<b>Unallocated £'000</b>	<b>Total £'000</b>
<b>Revenue</b>						
Management fees	135	-	-	-	-	408
Marketing fees	-	273	-	-	-	273
<b>Total revenue</b>	135	273	-	-	-	408
<b>Operating result</b>						
<b>before adjustments</b>	32	(347)	-	(1,147)	-	(1,516)
Other income	-	-	-	-	22,388	22,388
Share-based payments - LTIP	-	-	-	-	(6,273)	(6,273)
Exceptional costs	-	-	-	-	(360)	(360)
<b>Operating profit/(loss)</b>	32	(347)	-	(1,147)	15,755	14,293
Investment income	-	-	-	-	1,844	1,844
Finance costs	-	-	-	-	(8)	(8)
Profit/(loss) before tax	32	(347)	-	(1,147)	17,591	16,129
Income tax	(6)	1	-	-	(1,437)	(1,442)
<b>Profit/(loss) for the year</b>	<b>26</b>	<b>(346)</b>	<b>-</b>	<b>(1,147)</b>	<b>16,154</b>	<b>14,687</b>

<b>Segment assets</b>						
Total assets	3,518	21,712	-	-	34,335	59,595
Total liabilities	(85)	(471)	-	-	(2,902)	(3,458)
<b>Total net assets</b>	<b>3,433</b>	<b>21,271</b>	-	-	<b>31,433</b>	<b>56,137</b>
Depreciation	-	2	-	-	-	2
Amortisation	1	7	-	-	-	8
Total capital expenditure	3	5	-	-	-	8

#### 4. Other income

	Six months ended		Year ended
	Unaudited	Unaudited	Audited 30
	31 March	31 March	September
	2022	2021	2021
	£'000	£'000	£'000
Grant Thornton litigation	-	25,918	25,918
Success fee	-	(3,530)	(3,530)
	-	22,388	22,388

The case against Grant Thornton was concluded successfully in the financial year 2021. The total award came to £30.515 million, of which £4.597 million was reflected in the 2020 full year accounts, as it had been awarded by the Courts irrespective of the outcome of any appeal. Other income shown in these accounts represents the balance of the Court's award, less the success fee of 15% of claim proceeds excluding costs.

#### 5. Investment income

	Six months ended		Year ended
	Unaudited	Unaudited	Audited 30
	31 March	31 March	September
	2022	2021	2021
	£'000	£'000	£'000
Fair value gains on financial instruments classified as fair value through profit and loss	1,200	450	1,650
Dividend income	390	195	195
	1,590	645	1,845

#### 6. Adjusted profit

	Six months ended		Year ended
	Unaudited	Unaudited	Audited 30
	31 March	31 March	September
	2022	2021	2021
	£'000	£'000	£'000
Reported pre-tax (loss)/profit	(2,641)	22,259	16,129
Add back:			
Other income – Grant Thornton litigation	-	(22,388)	(22,388)
Share-based payments - LTIP	2,493	-	6,273
Exceptional costs related to re-admission documents	1,046	306	360

Adjusted pre-tax profit	898	177	374
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The Group has grown rapidly since shareholder approval was given to change its strategy in April 2021. Because of AssetCo's relatively low market capitalisation at the outset of its growth journey it has required two re-admission circulars. Prior to the change in strategy the Group had successfully concluded the long-running litigation against its former auditor, Grant Thornton, resulting in a significant settlement which, net of related costs, gave rise to an Other Income figure of £22.388 million.

These items, together with a new incentivisation scheme for management in the form of the LTIP, have perhaps masked the underlying progress of the business's results. Accordingly, we have set out above the Group's pre-tax result adjusted for the three items mentioned.

## 7. Income tax charge

	Six months ended		Year ended
	Unaudited 31 March 2022 £'000	Unaudited 31 March 2021 £'000	Audited 30 September 2021 £'000
Current tax:			
Current tax on profit for the year	-	-	1,437
<b>Total current tax</b>	-	-	1,437
Deferred tax:			
Arising from movement in deferred tax assets	(228)	-	(307)
Arising from movement in deferred tax liabilities	228	-	312
<b>Total deferred tax</b>	-	-	5
<b>Income tax charge</b>	-	-	1,442

## 8. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity owners of the parent by the weighted average number of Ordinary Shares in issue during the period.

Diluted earnings per share is calculated by adjusting the weighted average number of Ordinary Shares outstanding assuming conversion of all dilutive potential Ordinary Shares. The Company has one category of dilutive potential Ordinary Shares, being shares allocated to the LTIP pool.

	Six months ended		Year ended
	Unaudited 31 March 2022 £'000	Unaudited 31 March 2021 £'000	Audited 30 September 2021 £'000
(Loss)/profit attributable to owners of the parent	(2,252)	22,259	14,796
	<b>No:</b>	<b>No:</b>	<b>No:</b>
Weighted average number of ordinary shares in issue	8,424,847	7,817,964	8,194,031
Effect of dilutive potential ordinary shares	993,315	-	993,315

Weighted average number of ordinary shares – diluted	<b>9,418,162</b>	7,817,964	9,187,346
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	<b>Pence</b>	Pence	Pence
Basic	<b>(26.73)</b>	284.72	180.57
Diluted	<b>(23.91)</b>	284.72	161.05

## 9. Investments accounted for using the equity method

On 1 October 2021 the Group acquired a 30% stake in Parmenion Capital Partners LLP for a purchase price of £21.9 million. The investment is accounted for using the equity method and a reconciliation of the cost of investment and accumulated results of Parmenion is set out below:

	Six months ended		Year ended
	Unaudited 31 March 2022 £'000	Unaudited 31 March 2021 £'000	Audited 30 September 2021 £'000
At start of period	-	-	-
Cost of investment	<b>21,871</b>	-	-
Share of net profits of associate using equity method	<b>1,512</b>	-	-
At end of period	<b>23,383</b>	-	-

## 10. Financial assets at fair value through profit and loss

At 31 March 2022 the Group held 5,000,000 shares in River and Mercantile Group Plc and the fair value at that date is recognised here. The six months to 31 March 2022 shows a fair value gain of £1.2 million (see note 5). The Group has also received dividends amounting to £390,000 in the period (see note 5). As we report in the Chairman's statement and note 12 we have today announced the completion of the acquisition of River and Mercantile Group Plc so from today's date the investment will be accounted for as a business combination.

## 11. Cash generated by operations

	Six months ended		Year ended
	Unaudited 31 March 2022 £'000	Unaudited 31 March 2021 £'000	Audited 30 September 2021 £'000
(Loss)/profit before tax	<b>(2,641)</b>	22,259	16,129
Adjustments for:			
Share-based payments			
- LTIP	<b>2,481</b>	-	5,496
- Success fee on Grant Thornton litigation	-	3,530	3,530
Share of profits of associates	<b>(1,512)</b>	-	-
Depreciation	<b>3</b>	-	2
Amortisation	<b>22</b>	-	8
Finance costs	-	8	8
Investment income	<b>(390)</b>	-	(194)
Increase in investments	<b>(1,200)</b>	(10,800)	(12,000)
Changes in working capital			
- Trade and other receivables	<b>(29)</b>	4,458	4,367
- Trade and other payables	<b>498</b>	(74)	(591)
<b>Net cash generated/(consumed) by operations</b>	<b>(2,768)</b>	19,381	16,755

## **12. Post balance sheet event**

On 25 January 2022 the Company announced a formal bid to acquire the 94.15% of River and Mercantile Group Plc which was not already owned, with River and Mercantile shareholders entitled to receive 0.07392 New AssetCo shares for each River and Mercantile share held. As referred to in the Chairman's statement the acquisition has completed today. The effective acquisition cost is £46 million.

## **13. Electronic communications**

This Half-year Report is available on the Company's website [www.assetco.com](http://www.assetco.com). News updates, regulatory news and financial statements can be viewed and downloaded from the Company's website, [www.assetco.com](http://www.assetco.com). Copies can also be requested, in writing, from The Company Secretary, AssetCo plc, Singleton Court Business Park, Wonastow Road, Monmouth, Monmouthshire NP25 5JA. The Company is not proposing to bulk print and distribute hard copies of the Half-year Report unless specifically requested by individual shareholders.