**Tavistock Investments Plc**

**("Tavistock" or the "Company")**

**Interim Accounts**

20 December 2022

Tavistock announces its unaudited interim results for the six months ended 30 September 2022.

**Ongoing advisory business highlights:**

* Revenue up 16% compared to same period last year and up 59% compared to same period in 2020 (H1 2022: £17 million, H1 2021: £14.7 million, H1 2020: £10.7 million.)
* Contribution to adjusted EBITDA up 56% to £1.4 million (H1 2021: £0.9 million).
* Continuation of the strategic share buyback programme with 3,300,000 shares purchased during the period.
* An interim dividend of 0.07p per share was paid in July 2022 (40% higher than the previous dividend in October 2021).

Brian Raven, Tavistock’s Chief Executive, said: “We are continuing to achieve strong organic growth and are well placed to pursue a targeted acquisition strategy.”

“The Group’s cash resources have recently been bolstered by receipt of the first of three deferred consideration payments from Titan Wealth and an offer from the Bank of Ireland for up to £20 million to assist with executing our acquisition strategy.”

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **For further information**   |  |  | | --- | --- | | **Tavistock Investments Plc**  Oliver Cooke  Brian Raven | Tel: 01753 867000 | | **Allenby Capital Limited (Nominated adviser and broker)**  Corporate Finance: Nick Naylor, Nick Athanas, Freddie Wooding  Sales and Corporate Broking: Tony Quirke | Tel: 020 3328 5656 | | **Powerscourt**  Gilly Lock  Roxane Girard | Tel: 07711 380 007    020 7250 1446 | |  |  | |

**TAVISTOCK INVESTMENTS PLC**

**CHAIRMAN'S STATEMENT**

**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

I am pleased to advise that the strong growth within the Company’s financial advisory business, reported for the full year to 31 March 2022, has continued during the first half of the current financial year.

This area generated increased gross revenues of £17 million during the period, up 16% on the same period last year (30 September 2021: £14.7 million).

The contribution made to the Company’s adjusted EBITDA also increased by 56% over the same period last year to £1.4 million (30 September 2021: £0.9 million).

Despite this creditable level of organic growth, this remains a period of transition for the Company with the Board’s focus being on replacing the adjusted EBITDA contribution previously made by the Company’s investment management business, Tavistock Wealth Limited (“TWL”), prior to its sale to Titan Wealth Holdings Limited (“Titan”) in August 2021. This will be achieved through an acquisition strategy.

Investigating acquisition opportunities and exploring different financing options, as well as the wider development of the business, is a time-consuming process involving occasional dead ends at the due diligence stage. However, the Company is currently engaged in discussions with several well qualified acquisition targets, which it is well positioned to pursue. The Company’s cash resources have been bolstered by the recent receipt of the first of three deferred consideration payments from Titan and further strengthened by an offer from the Bank of Ireland to provide a facility of up to £20 million to assist with its acquisition strategy.

The Board is also focused on withdrawing from less profitable areas of activity such as the RAIF (Reserved Alternative Investment Fund) that the Company established on the Luxembourg Stock Exchange. Market sentiment and hostile economic conditions have prevented this fund from achieving critical mass, so it has now been closed with the residual funds being returned to the original investor. The costs associated with this closure were fully provided for in the accounts to 31 March 2022.

In the full year accounts to 31 March 2022, I advised that the Company had acquired a 21% stake in LEBC Holdings Limited (“LEBC”) and that the Board were working with the management of LEBC to maximise the value of this investment for the benefit of both sets of shareholders. As a part of the arrangements, the Company had agreed to acquire an unregulated business called Hummingbird from LEBC, that sells research on the asset class allocations for risk-based portfolios to third party asset managers. This acquisition was made in part to provide additional working capital to LEBC. However, as an alternative source of funding has now been identified by LEBC, the Company has agreed to sell Hummingbird back to LEBC on the same terms on which it was acquired. Completion of this transaction was announced by the Company on 1 December 2022.

**Financial performance during the period**

Adjusted EBITDA (defined as being Earnings before Interest, Taxation, Depreciation and Amortisation as adjusted to remove the distorting effect of one-off gains and losses arising on acquisitions/disposals, as well as other non-cash items) is highlighted as the Board considers this, rather than Operating Profit, to be the best measure of the Company’s underlying performance.

During the period under review the Company has continued to attract new investment into its range of risk rated model portfolios. However, despite the strong relative investment performance of these portfolios, volatile market conditions have resulted in falls in the value of investment holdings.

The Group's results can be summarised as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| **RESULTS FROM ONGOING ACTIVITIES**  (excluding TWL) | **6 Months ended** | **6 Months ended** | **Movement** |
| **30 Sept ‘22** | **30 Sept ‘21** |
| **£’000s** | **£’000s** |
| Gross revenues | 17,334 | 14,688 | 18% increase |
| **Adjusted EBITDA** | **147** | **(268)** | **155% improvement** |
| Depreciation & Amortisation | (497) | (461) | 8% increase |
| Share based payments | (120) | (269) | 55% decrease |
| Provision for one-off reorganisation costs | - | (500) | - |
| **Reported Loss from Operations** | **(470)** | **(1,498)** | **69% improvement** |
| Loss per ordinary share | (0.14)p | (0.31)p | 55% improvement |
| Net assets at Interim end | 42,106 | 49,817 | 15% decrease |
| Cash resources at Interim end | 4,151\* | 17,171 | 76% decrease |

\*Immediately following the period end, the Company received the first of three deferred consideration payments from Titan which took the Group’s cash resources above £10 million.

**Share buy backs and dividends**

Since 1 April 2022, the Company has in aggregate bought back 3,300,000 ordinary shares of 1 penny each (3,000,000 at 9.35p per share and 300,000 at 7.00p per share). In each instance, the shares so purchased have been cancelled, which has enhanced the earnings per share attributable to the shares remaining in issue.

In July 2022, the Company paid an interim dividend of 0.07p per share, which was 40% higher than the dividend that was paid in October 2021.

**Future prospects**

The Board’s focus is on maximising shareholder value. It intends to accomplish this, inter alia, by growing the dividend stream, completing further share buy backs and by building a much larger and more profitable business.

I look forward to updating shareholders in due course.

**Oliver Cooke**

**Chairman**

**19th December 2022**

**TAVISTOCK INVESTMENTS PLC**

**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

|  |  |  |
| --- | --- | --- |
|  | **Unaudited** | **Unaudited** |
|  | **6 months ended** | **6 months ended** |
|  | **30 September** | **30 September** |
|  | **2022** | **2021** |
|  | **£’000** | **£’000** |
|  |  |  |
| **Revenue** | **17,334** | **17,043** |
|  |  |  |
| Cost of sales | (11,577) | (10,455) |
|  | **------------** | **------------** |
| **Gross profit** | **5,757** | **6,588** |
|  |  |  |
| Administrative expenses | (6,227) | (6,536) |
|  | **--------------** | **--------------** |
| **(Loss)/Profit from operations before disposal** | **(470)** | **52** |
|  |  |  |
| Gain on sale of subsidiary | - | 35,786 |
|  | **--------------** | **--------------** |
| **(Loss)/Profit from Total Operations** | **(470)** | **35,838** |
|  |  |  |
| **Adjusted EBITDA** | **147** | **1,288** |
| Depreciation & Amortisation | (497) | (467) |
| Share Based Payment | (120) | (269) |
| Provision for new costs as a consequence of past reorganisation | - | (500) |
|  | -------------- | -------------- |
| **(Loss)/Profit from operations before disposal** | **(470)** | **52** |
|  |  |  |
| Finance costs | (58) | (115) |
| LLP members’ remuneration charged as an expense | (277) | (241) |
|  | ------------ | ------------ |
| **(Loss)/Profit before taxation** | **(805)** | **35,482** |
|  |  |  |
| Taxation | - | - |
|  | ------------ | ------------ |
| **(Loss)/Profit after taxation** | **(805)** | **35,482** |
|  |  |  |
| Minority interest in LEBC | (58) | - |
|  | ------------ | ------------ |
| **Profit after taxation and attributable to equity holders of the Parent and total comprehensive income for the period** | **(863)** | **35,482** |
|  | ====== | ====== |
| **(Loss)/Profit per share** |  |  |
| Basic | (0.14)p | 5.85p |
|  | ====== | ====== |
|  |  |  |
| Diluted | (0.13)p | 5.85p |
|  | ====== | ====== |

**TAVISTOCK INVESTMENTS PLC**

**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

**AS AT 30 SEPTEMBER 2022**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unaudited** | | **Audited** | |
|  | **30 September 2022** | | **31 March 2022** | |
|  | **£’000** | **£’000** | **£’000** | **£’000** |
| ASSETS |  |  |  |  |
| Current assets |  |  |  |  |
| Trade and other receivables |  | 15,741 |  | 13,039 |
| Cash and cash equivalents |  | 4,151 |  | 15,274 |
|  |  | **-----------------** |  | **-----------------** |
| Total current assets |  | 19,892 |  | 28,313 |
|  |  |  |  |  |
| Non-current assets |  |  |  |  |
| Tangible fixed assets | 1,656 |  | 1,733 |  |
| Intangible assets | 21,536 |  | 18,309 |  |
| Investments in associates | 10,002 |  | **-** |  |
| Trade and other receivables | 12,090 |  | 12,090 |  |
|  | **-----------------** |  | **-----------------** |  |
| **Total non-current assets** |  | **45,284** |  | **32,132** |
|  |  | **-----------------** |  | **-----------------,** |
| **Total assets** |  | **65,176** |  | **60,445** |
|  |  |  |  |  |
| **LIABILITIES** |  |  |  |  |
|  |  |  |  |  |
| **Current liabilities** |  | **(7,683)** |  | **(6,722)** |
|  |  |  |  |  |
| **Non-current liabilities** |  |  |  |  |
| Loan & Lease liability |  | (571) |  | (731) |
| Payments due regarding purchase of client lists |  | (6,715) |  | (1,298) |
| Provisions |  | (7,839) |  | (7,955) |
| Deferred taxation |  | (262) |  | (262) |
|  |  | **------------------** |  | **------------------** |
| **Total liabilities** |  | **(23,070)** |  | **(16,968)** |
|  |  | **------------------** |  | **------------------** |
| **Total net assets** |  | **42,106** |  | **43,477** |
|  |  | ========= |  | ========= |
| **Capital and reserves** |  |  |  |  |
| Share capital |  | 5,556 |  | 5,578 |
| Share premium |  | 1,553 |  | 1,541 |
| Capital redemption reserve |  | 531 |  | 501 |
| Retained earnings |  | 34,466 |  | 35,857 |
|  |  | **------------------** |  | **------------------** |
| **Total equity** |  | **42,106** |  | **43,477** |
|  |  | ========= |  | ========= |

The unaudited interim condensed consolidated financial statements were approved by the Board and authorised for issue on 19th December 2022.

**TAVISTOCK INVESTMENTS PLC**

**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Share capital** | **Share premium** | **Capital redemption reserve** | **Retained earnings** | **Total equity** |
|  | **£’000** | **£’000** | **£’000** | **£’000** | **£’000** |
|  |  |  |  |  |  |
| **31 March 2021** | **6,079** | **1,541** | **-** | **8,114** | **15,734** |
| Profit after tax and total comprehensive income | - | - | - | 35,482 | 35,482 |
| Equity settled share based payments | - | - | - | 269 | 269 |
| Buy back of shares | (287) | - | 287 | (1,365) | (1,365) |
| Dividend payment | - | - | - | (302) | (302) |
|  | ------------- | -------------- | ------------- | --------------- | -------------- |
| **Unaudited 30 September 2021** | **5,792** | **1,541** | **287** | **42,198** | **49,817** |
|  | -------------- | -------------- | ------------- | -------------- | -------------- |
| Loss after tax and total comprehensive income | - | - | - | (5,842) | (5,842) |
| Equity settled share based payments | - | - | - | 745 | 745 |
| Buy back of shares | (214) | - | 214 | (1,244) | (1,244) |
|  | -------------- | -------------- | -------------- | -------------- | -------------- |
| **31 March 2022** | **5,578** | **1,541** | **501** | **35,858** | **43,477** |
|  | -------------- | -------------- | ------------- | -------------- | -------------- |
| Loss after tax and total comprehensive income | - | - | - | (863) | (863) |
| Equity settled share based payments | - | - | - | 120 | 120 |
| Buy back of shares | (30) | - | 30 | (282) | (282) |
| Acquisition of LEBC Hummingbird Limited | - | - | - | 25 | 25 |
| Issue of shares | 8 | 12 | - | - | 20 |
| Dividend payment | - | - | - | (391) | (391) |
|  | -------------- | -------------- | -------------- | -------------- | -------------- |
| **Unaudited 30 September 2022** | **5,556** | **1,553** | **531** | **34,466** | **42,106** |
|  | -------------- | -------------- | -------------- | -------------- | -------------- |

**TAVISTOCK INVESTMENTS PLC**

**UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Unaudited** | | **Unaudited** | |
|  | **6 months ended**  **30 September 2022** | | **6 months ended 30 September 2021** | |
|  | **£’000** | **£’000** | **£’000** | **£’000** |
| **Cash flows from operating activities** |  |  |  |  |
| (Loss)/Profit from normal Operations |  | (805) |  | 35,482 |
| **Adjustments for:** |  |  |  |  |
| Share based payments |  | 120 |  | 269 |
| Depreciation on tangible fixed assets |  | 303 |  | 337 |
| Amortisation of intangible assets |  | 194 |  | 130 |
| Movement on one-off reorganisation provision |  | - |  | 500 |
| Finance costs |  | 58 |  | 115 |
| Gain on sale of subsidiary |  | - |  | (35,786) |
|  |  | **-----------------** |  | **-----------------** |
| **Cash flows (used in)/generated from operating activities** |  | **(130)** |  | **1,047** |
| **before changes in working capital** |  |  |  |  |
|  |  |  |  |  |
| Increase in trade and other receivables |  | (2,707) |  | (727) |
| Increase in trade and other payables |  | 1,832 |  | 961 |
|  |  | **-----------------** |  | **-----------------** |
| **Cash (used in)/generated from Operations** |  | **(1,005)** |  | **1,281** |
|  |  |  |  |  |
| **Investing activities** |  |  |  |  |
| Intangible assets - client lists and internally developed assets | (334) |  | (837) |  |
| Purchase of tangible fixed assets | (276) |  | (870) |  |
| Sale of client lists | 100 |  | - |  |
| Purchase of subsidiary | (1,515) |  | - |  |
| Purchase of share in associate | (6,060) |  | - |  |
| Deferred consideration payments | (1,054) |  | (1,082) |  |
| Cash received on sale of subsidiary | - |  | 19,288 |  |
|  | **-----------------** |  | **-----------------** |  |
| **Net cashflow (used in)/generated from investing activities** |  | **(9,139)** |  | **16,499** |
|  |  |  |  |  |
| **Financing activities** |  |  |  |  |
| Finance costs | (58) |  | (115) |  |
| Leases | (152) |  | 304 |  |
| Loan Repayments | - |  | (3,588) |  |
| Buy back of shares | (281) |  | (1,365) |  |
| Dividend payment | (391) |  | (302) |  |
|  | **-----------------** |  | **-----------------** |  |
| **Net cashflow used in financing activities** |  | **(882)** |  | **(5,066)** |
|  |  | **-----------------** |  | **-----------------** |
| **Net change in cash and cash equivalents** |  | **(11,026)** |  | **12,714** |
|  |  |  |  |  |
| **Cash at start of period** |  | **15,177** |  | **4,457** |
|  |  | **------------------** |  | **------------------** |
| **Cash at end of period** |  | **4,151** |  | **17,171** |
|  |  | ========= |  | ========= |

**TAVISTOCK INVESTMENTS PLC**

**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

1. **ACCOUNTING POLICIES**

**Basis of preparation**

The interim condensed consolidated financial statements have been prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards (IFRS) and IFRIC interpretations issued by the International Accounting Standards Board (IASB) adopted by the UK.

The accounts have been prepared in accordance with accounting policies that are consistent with the March 2022 Report and Accounts and that are expected to be applied in the Report and Accounts of the year ending 31 March 2023.

The financial information does not constitute statutory accounts within the meaning of section 435 of the Companies Act 2006. Statutory accounts for Tavistock Investments Plc for the year ended 31 March 2022 have been delivered to the Registrar of Companies. The auditors' report on those accounts was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

1. **SEGMENTAL INFORMATION**

A segmental analysis of revenue and expenditure for the period is:

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | | **Group**  **(Plc)** | | **Investment Management** | **Advisory**  **Business** | | **Unaudited 30 September 2022** | **Unaudited 30 September 2021** |
|  | | | **£'000** | | **£’000** | **£'000** | | **£'000** | **£'000** |
|  | | |  | |  |  | |  |  |
| Revenue | | | 174 | | 543 | 16,617 | | **17,334** | **17,043** |
|  | | |  | |  |  | |  |  |
| Cost of sales | | | (144) | | (128) | (11,305) | | **(11,577)** | **(10,455)** |
|  | | | **-------------** | | **-------------** | **-------------** | | **-------------** | **-------------** |
| **Gross profit** | | | 30 | | 415 | 5,312 | | **5,757** | **6,588** |
|  | | | **-------------** | | **-------------** | **-------------** | | **-------------** | **-------------** |
| Attributed Expenses | | | (1,761) | | (398) | (3,948) | | **(6,107)** | **(5,768)** |
|  |  | | | | |  |  |  | |
| **Other Administrative Expenses** | | | | |  |  | |  |  |
| Share based payments | | |  | |  |  | | **(120)** | **(268)** |
| Provision for one off reorganisation costs | | | | |  |  | | **-** | **(500)** |
|  | | |  | |  | |  | | **-------------** | **-------------** |
| **(Loss)/Profit from operations before disposal** | | | | | |  | | **(470)** | **52** |
|  | | |  | |  |  | | **======** | **======** |

The segmental analysis above reflects the parameters applied by the Board when considering the Group’s monthly management accounts. The Directors do not consider a division of the statement of financial position to be appropriate or useful for the purposes of understanding the financial performance and position of the Group.

During the period under review, the Group operated and earned revenue exclusively within the UK.

1. **(LOSS)/EARNINGS PER SHARE**

|  |  |  |
| --- | --- | --- |
|  | **Unaudited** | **Unaudited** |
|  | **6 months ended** | **6 months ended** |
|  | **30 September 2022** | **30 September 2021** |
| (Loss)/Earnings per share has been calculated using the following: |  |  |
| (Loss)/Profit after taxation (£’000) | (805) | 35,482 |
| Weighted average number of shares (‘000s) | 557,443 | 606,208 |
|  | -------------- | -------------- |
| (Loss)/Earnings per ordinary share | **(0.14)p** | **5.85p** |
|  | ====== | ====== |
|  |  |  |
| Weighted average number of shares and share options | 638,239 | 606,208 |
| that were exercisable at period end (‘000s) | -------------- | -------------- |
| (Loss)/Earnings per diluted share | **(0.13)p** | **5.85p** |
|  | ====== | ====== |

(Loss)/Earnings per ordinary share has been calculated using the weighted average number of shares in issue during the relevant financial periods. IAS 33 requires presentation of diluted EPS when a company could be called upon to issue shares that would decrease earnings per share or increase the loss per share. There would be dilutive impact were the share options to be exercised.

1. **DISPOSAL OF SUBSIDIARY UNDERTAKINGS**

During the previous financial period, the Group disposed of its interest in Tavistock Wealth Limited (“TWL”) to Titan Wealth Holdings Limited (“Titan”) for a consideration of up to £40 million in cash, with the deferred proportion of the overall consideration linked to the achievement and maintenance of an average of £6 million of gross revenues per annum within TWL.

The calculation of the profit arising from this transaction can be summarised as follows.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Unaudited**  **30 September 2021** | | |
|  |  | **£’000** |  | **£’000** |
|  | Initial Consideration |  |  | 20,000 |
|  |  |  |  |  |
|  | Less: |  |  |  |
|  | Write off of the goodwill and net assets associated with Tavistock Wealth | (2,349) |  |  |
|  | Transaction costs | (359) |  |  |
|  | Balance sheet deficit as defined by the SPA | (7) |  |  |
|  |  | ------------- |  |  |
|  |  |  |  | (2,715) |
|  | Deferred Consideration |  |  | 20,000 |
|  | Less: Discount at average cost of funds to reflect the current value of future receipts | (1,499) |  |  |
|  |  | ------------- |  |  |
|  |  |  |  | (1,499) |
|  |  |  |  | ------------- |
|  | Reported Gain |  |  | 35,786 |
|  |  |  |  | ====== |
| In calculating the gain summarised above, the Directors exercised the following material judgements and assessments:   * the initial consideration received is non-refundable, * based upon the aggregate of the assets introduced by Tavistock to Titan as a part of the transaction, the additional assets anticipated to be introduced in the future from Tavistock’s ongoing activities and the assets that will either be introduced as a consequence of Tavistock’s planned acquisition strategy or otherwise, the Directors are confident that TWL’s gross annual revenues will exceed the £6 million performance benchmark referred to in the sale and purchase agreement entered into with Titan. Based upon this judgement, it has been assumed that the deferred consideration will be received in full, * a discount rate of 4% per annum has been applied to the deferred consideration to reflect that point’s present day value. | | | | |

1. **INTANGIBLE ASSETS**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Customer** | **Goodwill** | **Internally** |  |
|  | **and Adviser** | **Arising on** | **Developed** |  |
|  | **Relationships** | **Consolidation** | **Assets** | **Total** |
|  | **£’000** | **£’000** | **£’000** | **£’000** |
| **Cost** |  |  |  |  |
| Balance at 1 April 2022 (Audited) | 4,862 | 12,600 | 1,587 | 19,049 |
| Additions | 331 | 3,024 | 166 | 3,521 |
| Disposals | (100) | - | - | (100) |
|  | ------------- | ------------- | ------------ | --------------- |
| **Balance at 30 September 2022 (Unaudited)** | **5,093** | **15,623** | **1,753** | **22,470** |
|  | ------------- | ------------ | ------------ | --------------- |
|  |  |  |  |  |
| **Accumulated amortisation** |  |  |  |  |
| Balance at 1 April 2022 (Audited) | 707 | - | 33 | 740 |
| Amortisation | 177 | - | 17 | 194 |
|  | ------------ | ----------- | ------------ | --------------- |
| **Balance at 30 September 2022 (Unaudited)** | **884** | **-** | **50** | **934** |
|  | ----------- | ------------ | ------------ | --------------- |
|  |  |  |  |  |
| **Net Book Value** |  |  |  |  |
|  | ------------ | ------------ | ------------ | ------------ |
| Balance at 30 September 2022 (Unaudited) | 4,209 | 15,623 | 1,703 | 21,536 |
|  | ====== | ====== | ====== | ======= |
| Balance At 31 March 2022 (Audited) | 4,155 | 12,600 | 1,554 | 18,309 |
|  | ====== | ====== | ====== | ======= |

1. **INVESTMENT IN ASSOCIATES**

In April 2022, the Company received regulatory approval from the FCA and completed the acquisition of a 21% stake in LEBC Holdings Limited (“LEBC”) for a consideration of £10 million.

LEBC is an independent national business providing financial advice to retail clients and employee benefits advice to corporate clients. LEBC is estimated to have c.78,000 clients with £4.2 billion of assets under advice. The Board is working closely with the management of LEBC to maximise the value of this investment for the benefit of both sets of shareholders.

As a part of the arrangements, the Company also agreed to acquire an unregulated business called LEBC Hummingbird Limited (“Hummingbird”) that sells research on asset class allocations for risk-based portfolios to third party managers, for a consideration of £3 million. The acquisition was made in part to provide additional working capital to LEBC. However, as an alternative source of funding has now been identified by LEBC, the Company agreed to sell Hummingbird back to LEBC on the same terms on which it was acquired. Completion of this transaction was announced by the Company on 1 December 2022.

1. **SHARE CAPITAL**

|  |  |  |
| --- | --- | --- |
|  | **Unaudited** | **Audited** |
|  | **30 September 2022** | **31 March**  **2022** |
|  | **£’000** | **£’000** |
| **Called up share capital** |  |  |
|  |  |  |
| **Allotted, called up and fully paid** |  |  |
|  |  |  |
| 5,555,212 Ordinary shares of 1 pence each | 5,556 | 5,578 |
| (31 March 2022: 557,677,576) |  |  |
| Capital redemption reserve | 531 | 501 |
|  | ====== | ====== |
|  | 6,087 | 6,079 |
|  |  |  |
| Share premium | 1,553 | 1,541 |
|  | ------------ | ------------ |
|  | **7,640** | **7,620** |
|  | ====== | ====== |

During the period, the Company has bought back 3,000,000 ordinary shares of 1p for 9.35p each. The shares purchased have been cancelled, which enhanced the earnings per share attributable to the shares remaining in issue. Also, during the period, 755,000 of share options have been exercised and added to share capital.