

ASSETCO PLC  
YEAR ENDED 30 SEPTEMBER 2021

2021

**ANNUAL  
REPORT AND  
FINANCIAL  
STATEMENTS**

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23/04/2022  
COMPANIES HOUSE

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19/03/2022  
COMPANIES HOUSE



**TO BUILD A 21ST  
CENTURY ASSET  
AND WEALTH  
MANAGEMENT  
BUSINESS THAT  
WILL DELIVER FOR  
INVESTORS AND  
SHAREHOLDERS**

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# 1. CHAIRMAN'S STATEMENT

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## A YEAR OF TRANSFORMATION

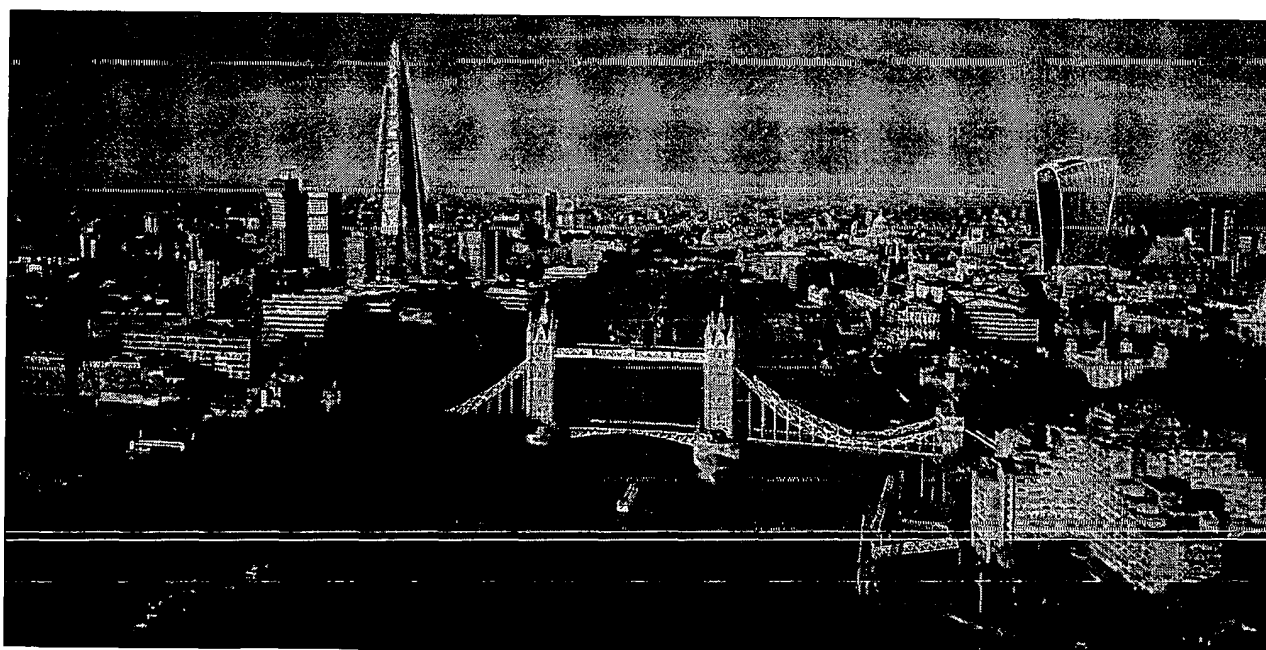
The twelve month period ended 30 September 2021 was a transformational year for AssetCo. The Group returned nearly £27 million to investors through a tender offer, it adopted a new strategy focused on building and operating an asset and wealth management business, and agreed to acquire equity stakes in four firms.

On 2 October 2020 there was a successful conclusion to the Grant Thornton litigation case. Grant Thornton informed the Group of its decision not to appeal to the Supreme Court, thereby crystallising the award from the Court of Appeal ruling on 31 January 2019 amounting to £30.5 million, including costs. This formed the basis of returning £26.9 million to shareholders, by way of a tender offer which was fully subscribed. The Group purchased 6.53 million shares, equivalent to 50% of its then issued share capital, at £4.11 per share.

In January 2021, the Group welcomed an investor group consisting of funds managed by Toscafund Asset Management, Peter McKellar, various associates and me who, in aggregate, acquired a 29.8% shareholding from existing shareholders at £4.75 per share. Peter and I joined the Board as non-executive directors on 25 January 2021.

We both have extensive experience of the asset and wealth management industry. The industry is contending with significant structural shifts, including technological advances, a reorientation of investment habits and evolving client needs that will have a profound impact on the business models of many existing asset management and wealth providers, their offerings and the choices available to clients and savers. Following readmission to AIM and approval by shareholders in April 2021 to change the business strategy, the Group is committed to creating and managing an asset and wealth management business that is fit for purpose in the 21st century.

At the same time as the change in strategy, I was appointed Chairman of AssetCo. I would like to pay tribute to my predecessor, Tudor Davies, for guiding the Group over the last 10 years. He played a crucial role in AssetCo's development and its transition to an asset and wealth management business.



## PROGRESS TO DATE

In January and February 2021, the Group acquired 5 million shares in River and Mercantile Group PLC, an asset management business, at a total cost of £10.4 million. We believed that River and Mercantile was significantly undervalued, where the value of its two operating businesses was not properly recognised and that the businesses were worth more on a stand-alone basis. This belief has been borne out by the completed sale of its Solutions business for significantly more than the total market capitalisation of River and Mercantile when we invested.

In May 2021, the Group announced the acquisition of Saracen Fund Managers for £3.44 million. Saracen is an active manager of listed equity portfolios, an approach we believe will reward investors over the years to come, as markets become increasingly volatile and investors seek targeted strategies. Our aim is to build on Saracen's strong foundations by broadening the investor base of its existing funds – Global Income and Growth, UK Alpha and UK Income (total Assets under Management (AuM) £113.2 million) – and by expanding its product range over time. We have already strengthened the investment team with the recruitment of another fund manager. In addition, we are looking to build our listed equities capabilities through further acquisitions.

In July 2021, the Group completed the acquisition of a 68% majority equity interest (of which 5% is subject to certain near-term performance conditions) in Rize ETF for £16.5 million and announced the acquisition of a 30% equity stake in Parmenion for a total consideration of up to £27.8 million. The acquisition of the stake in Parmenion completed on 1 October 2021.

Rize ETF is a provider of thematic investment strategies via Exchange Traded Funds (ETFs). Thematic ETFs allow investors to invest in opportunities outside of traditional sectors. According to Morningstar Research, total thematic Assets under Management globally grew to \$595 billion as of March 2021, from \$174 billion three years earlier, with Europe representing over half of the AuM.

There is enormous growth potential in the area of thematic ETF investing. Through a combination of AssetCo's support, and the Rize team's expertise and product innovation, we believe we can significantly grow the business. Currently Rize offers six thematic strategies with combined AuM

of \$514.1 million, with approximately \$459 million of net inflows being achieved in 2021.

Rize's success and potential were recognised through a number of prestigious awards that the team won during the year. Rize was named Best New Entrant at the ETF Express European Awards. The Rize Sustainable Future of Food ETF was named the most innovative sustainable and ESG ETF launch by Investment Week and the most innovative ETF of the year at the ETF Stream Awards. Rize also won the Best ESG Investment Fund (thematic) category at the ESG Investing Awards.

Parmenion is a B2B fund investment and advisory platform for the UK wealth and IFA sector, partnering with over 1,500 adviser firms helping them to deliver investment solutions to over 80,000 underlying customers. The business is benefiting from the digital transformation taking place within the asset and wealth management industry.

Parmenion has positioned itself as an enabler to the wealth management industry, with its proprietary technology platform enabling it to retain control of customer propositions and hence continue to address the evolving needs of its clients. This client focused approach, coupled with strong service, has driven the growth of Parmenion's AuM significantly ahead of the overall platform market.

Parmenion has been consistently ranked by financial advisers as number one for platforms with AuM of less than £20 billion, and second for all platforms. During the year, Parmenion won the Best Overall Service to Paraplanners category at the Professional Paraplanner Awards and was named best platform for advisers (Assets under Administration below £25 billion) at the Professional Adviser awards. Currently, Parmenion has AuM of £9.3 billion and, in response to client demand, is looking to broaden the range of investment solutions it hosts on its platform.

In part, the investments in Rize ETF and Parmenion were financed by a successful £25 million equity fund raising at £14.50 per share in July 2021 that attracted interest from both existing and new shareholders. We would like to thank shareholders for their support. We also note and welcome the increasing interest from analysts and investors generally in the Group and its strategy.

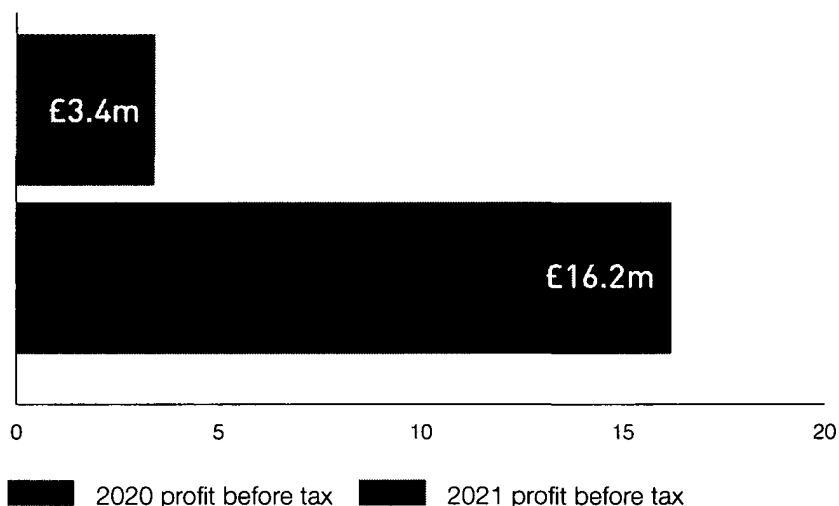
## 1. CHAIRMAN'S STATEMENT

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### FINANCIALS

It is pleasing to report that the Group made a profit before taxation of £16.1 million during the twelve months ended 30 September 2021 (2020: £3.4 million). The sizeable year-on-year increase is largely due to the successful conclusion of the litigation case against Grant Thornton. During the twelve month period the share price more than quadrupled to close at £17.00 per share (30 September 2020: £4.11 per share).

Net assets of the Group at 30 September 2021 were £56.137 million (2020: £32.345 million) with the increase mainly attributable to goodwill on acquisition of Rize ETF and Saracen.



**>4x**

INCREASE IN  
SHARE PRICE

**£56M**

NET ASSETS  
AT 30 SEP 2021

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### NEW TEAM

To lead the Group on its journey as an asset and wealth management business, in September 2021 we announced the appointment of Campbell Fleming as Chief Executive Officer from 2 October 2021. His experience and expertise within the industry, together with his leadership qualities, means he is well placed to build on AssetCo's strong foundations. He succeeds Peter McKellar, who due to his other commitments agreed to be interim CEO until a long-term candidate was identified. The Board and I are immensely grateful to Peter for all his hard work and are delighted that he will remain on the Board as Deputy Chairman, continuing to be involved in the Group's strategy and development.

Campbell is supported by a small team of distribution and communication professionals – Gary Collins, Lucy Draper and James Thorneley – who all joined the Group in 2021. The Board and I appreciate their hard work and efforts in building a new business. They have also begun raising the profile of the Group with clients and partners around the world and with the media. These interactions are showing early promise as people are interested to learn more about our strategy, plans and capabilities.

Finally, the Board and I would like to thank the teams in our underlying businesses for their continued hard work. We are also grateful for the continued support of customers, clients and shareholders who believe in the products and services we offer and our focus on delivering for investors over the long-term.

### OUTLOOK

Following the end of AssetCo's financial year, the Group announced a possible offer to acquire River and Mercantile Group PLC, further to the announcement of a sale of River and Mercantile Solutions division to Schroders PLC. The acquisition of River and Mercantile is a core part of this strategy; it strengthens our active equity capability and importantly provides a foundation stone to building a private markets business given its infrastructure investment team. It will complement our existing presence in thematic investing with Rize ETF and our investment in Parmenion, a digital platform for the financial planning sector.

The Group is being transformed and has successfully put in place some of the building blocks required for it to become a 21st century asset and wealth management business that delivers for investors and makes a difference. We will look to develop these businesses and explore other opportunities.

**Martin Gilbert**  
*Chairman*

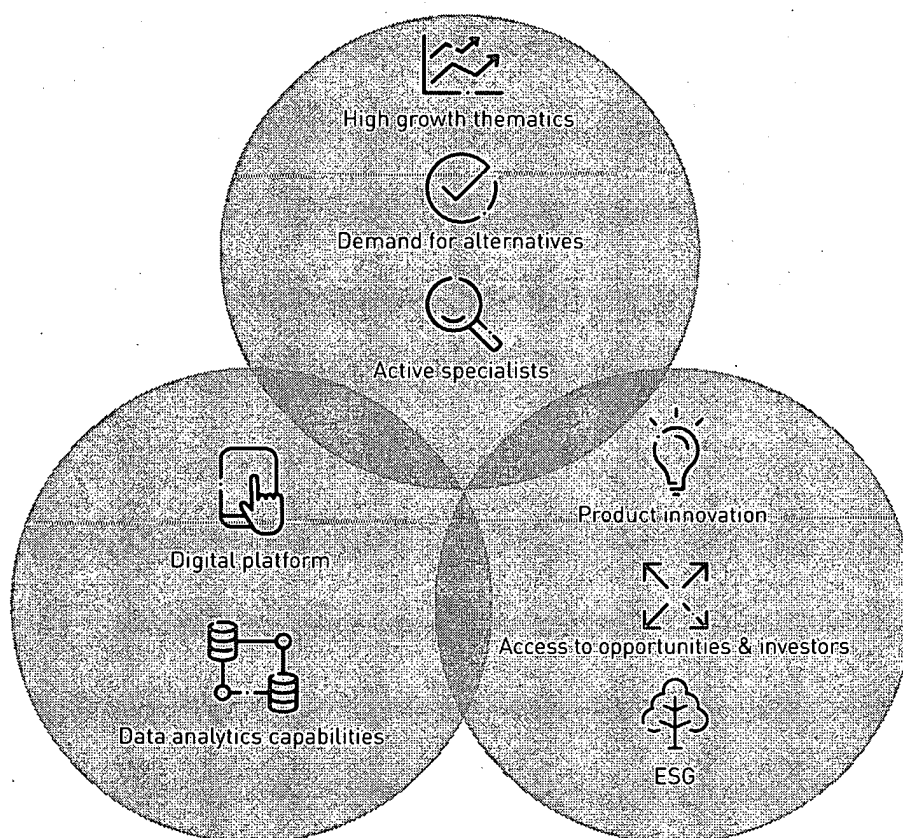
18 February 2022

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## 2. BUSINESS REVIEW

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Our mission is to build a 21st century asset and wealth management business that will deliver returns for investors and shareholders. The work to achieve this began in 2021, as we reviewed the broader market for businesses that are agile and that exhibit many of the key attributes, set out below, that we believe are critical to building relevance and value.



Importantly, all of the businesses, and associated capabilities, that we have invested in to date exhibit many of the above characteristics. Our focus is to develop these acquisitions through the provision of senior management expertise and contacts, distribution and marketing support, and, where required, additional capital. The intention is that, over time, the Company develops between five to seven distinct and different asset management and wealth capabilities in some of the fastest growing and/or under-valued areas within the sector. The expectation is that in addition to building these verticals, there will also be significant opportunities for the capabilities to work together and deliver further growth.

**Campbell Fleming**  
Chief Executive Officer

**Peter McKellar,**  
Deputy Chairman

18 February 2022

"Parmenion has positioned itself as a forward looking enabler to the UK wealth management sector. Through a combination of proprietary technology, the extensive knowledge and experience of our management team and a commitment to understanding and responding to the needs of our clients, Parmenion has delivered a service which has been consistently ranked in the top two every quarter since 2016. Parmenion will continue to invest in the business to ensure that we can help our clients better serve their customers and support the growth in their business"

**Martin Jennings**

*Chief Executive of Parmenion*



### ACTIVE SPECIALISTS

**Saracen Fund Managers was established in Edinburgh in 1997.** It is an active investment manager offering a range of UK and Global equity strategies. All of the funds managed by Saracen are concentrated, differentiated portfolios.

A strict valuation framework is the cornerstone of the investment process. Coupled with detailed fundamental analysis, and a worst case analysis for risk, the aim is to invest in high quality companies at an attractive price. ESG analysis is also a core element of the investment process and the team are most interested in companies that can improve their ESG score over time, with better disclosure and revised practices. This can contribute to a better operating and financial performance at the relevant company, which can lead to a rerating of the shares. This approach is based on supporting change, rather than investing in the best in class.

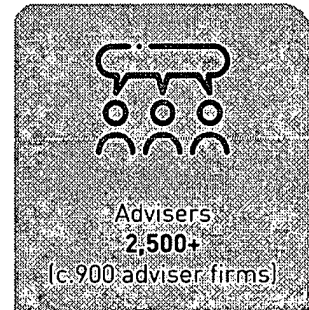
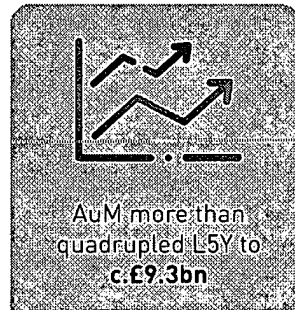
"Saracen is a small fund management firm with great potential. The investment team focuses on what we do best; giving us the freedom to invest with conviction within a disciplined investment process, unhindered by bureaucracy."

**Bettina Edmondston**

*Investment Director at Saracen Fund Managers*

## Parmenion

### DIGITAL PLATFORM



Since 2007, Parmenion's award-winning investment expertise and diverse range of investment solutions has helped financial advice firms build their own investment propositions.

Based in Bristol – one of the UK's fintech hubs – Parmenion's strength comes from having built a powerful combination of an intelligent investment capability, intuitive technology and a stellar service platform.

Trusting Parmenion to do the heavy lifting means financial advisers can reduce risk and cost in their business, leaving them with more time; time that can be spent on what matters most, developing stronger client relationships and growing their business.

Parmenion's AuM is now £9.3 billion, with over 1,500 financial advice firms partnering with them to deliver their chosen investment proposition to over 80,000 underlying clients.



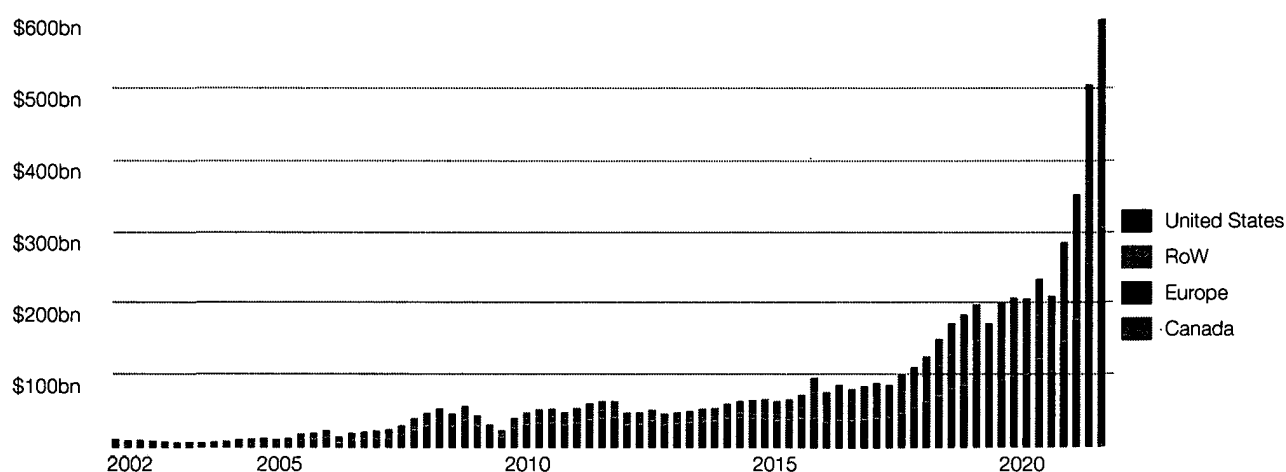
**"Rize ETF is pioneering a new and better way to invest in the future, one that we believe empowers investors to participate in the growth stories of tomorrow, while remaining on the right side of history"**

**Rahul Bhushan**

***Co-Founder and Director of Rize ETF***

# Rize<sup>etf</sup>

## HIGH GROWTH THEMATICS



Source: Morningstar Research

Rize ETF is believed to be Europe's first specialist thematic ETF issuer and one of the fastest growing providers in the rapidly growing thematic ETF segment of the asset management industry. The business was founded in January 2019 by an experienced management team, with a proven track record in establishing and scaling ETF businesses.

Thematic ETFs allow investors to invest in opportunities outside of traditional sectors. According to Morningstar Research, total thematic fund AuM globally grew to \$595 billion as of March 2021, from \$174 billion three years earlier, with Europe representing over half of the AuM. AuM invested in thematic funds represents 2.1% of all assets invested in equity funds globally, up from 0.6% ten years ago. In Europe, total AuM allocated to thematic ETFs is estimated at over \$40 billion.

So far Rize ETF – which is headquartered in London – has launched six new and innovative thematic ETFs, providing investors with access to transformational megatrends in an accessible,

transparent and purpose-built way. The strategies include Cybersecurity and Data Privacy, Education Tech and Digital Learning, Medical Cannabis and Life Sciences and Sustainable Future of Food.

Rize ETF currently has \$455.7 million of AuM. Importantly, all six ETFs have a Sustainable Finance Disclosure Regulation (SFDR) rating of 8 or 9. The ETFs are marketed using traditional and digital mediums and distributed primarily through wholesale channels, including IFAs, private banks, wealth managers, fund of funds and discretionary asset managers.

Rize ETF has a strong pipeline of anticipated launches in 2022 and 2023, underpinned by a focused research ethos and an approach to the development of new investment strategies that leverage the best experts in an industry in each of the relevant themes.

## 3. BOARD OF DIRECTORS

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### **CHAIRMAN – MARTIN GILBERT**

Martin Gilbert has a long history in asset and wealth management. He co-founded Aberdeen Asset Management PLC in 1983 and was chief executive officer from 1991 to 2017. During that period Aberdeen Asset Management PLC grew, through a combination of organic growth and strategic acquisition, to become one of the world's leading independent asset managers with £308 billion of AuM. In 2017 Aberdeen Asset Management PLC merged with Standard Life plc, to become Standard Life Aberdeen plc. On merging, Standard Life Aberdeen plc was the biggest UK-based asset management company and the second biggest in Europe. Martin was co-chief executive officer and subsequently vice chairman until he retired from Standard Life Aberdeen plc in September 2020. Martin is chairman of Revolut Ltd and Toscafund, deputy chairman of River and Mercantile Group PLC and senior independent director of Glencore plc, alongside a number of other directorships.

### **CHIEF EXECUTIVE OFFICER – CAMPBELL FLEMING**

Campbell has worked within the investment industry since the 1990s. He was Global Head of Distribution & Marketing at Standard Life Aberdeen until September 2021. Before joining Aberdeen Asset Management in August 2016, Campbell was Chief Executive – EMEA and Global Chief Operating Officer at Columbia Threadneedle Investments, having joined that firm as Global Head of Distribution in November 2009. Prior to this, Campbell was Head of UK for JPMorgan Asset Management. He trained as a barrister in Australia before moving to the UK in 1995. He also chairs The Big Exchange.

### **DEPUTY CHAIRMAN AND EXECUTIVE DIRECTOR – PETER MCKELLAR**

Peter McKellar has spent nearly all of his working career in private markets, in particular private equity and infrastructure investment management and direct operating management. He retired in September 2020 as executive chairman and global head of private markets for Standard Life Aberdeen plc, where he oversaw investment management activities across private equity, infrastructure, real estate, natural resources, and certain private credit capabilities, totalling £55 billion of AuM. Peter is a non-executive director of 3i Group plc and a non-executive member of Scottish Enterprise.

### **NON-EXECUTIVE DIRECTOR – TUDOR DAVIES**

**Chairman of the Audit Committee**

Appointed to the AssetCo plc board in March 2011, Tudor was chairman of AssetCo until the change in strategy was approved in April 2021 when Martin Gilbert took over the role. Upon becoming non-executive Tudor also took on the role of Chairman of the Audit Committee taking over from Christopher Mills.

He was the executive chairman of Dowding and Mills plc and, following a reverse acquisition, was subsequently appointed to the board of Castle Support Services plc. He was also a non-executive director and subsequently chairman of Stratagem Group plc and was chief executive and subsequently chairman of Hicking Pentecost plc. He is also chairman of Zytronic plc.

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**NON-EXECUTIVE DIRECTOR –  
CHRISTOPHER MILLS**

Chairman of the Remuneration Committee

Appointed to the AssetCo plc board in March 2011, Christopher is chief executive officer of Harwood Capital Management Limited and chief executive and investment manager of North Atlantic Smaller Companies Investment Trust plc. He relinquished his role as Chairman of the Audit Committee to Tudor Davies when the latter became non-executive.

**NON-EXECUTIVE DIRECTOR –  
MARK BUTCHER**

Chairman of the Nomination Committee

Appointed to the AssetCo plc board in October 2012, Mark was previously an executive director of GPG (UK) Holdings plc which was the UK investment arm of Guinness Peat Group plc. He currently sits on the boards of Redde Northgate plc and National Milk Records plc.



# 4. STRATEGIC REPORT

## INTRODUCTION

The directors present their Strategic Report on the Group for the year ended 30 September 2021.

## REVIEW OF THE BUSINESS

A review of the business is contained in the Chairman's statement on pages 2 to 5 and in the Business Review on pages 6 to 9 and is incorporated into this report by cross-reference.

## STRATEGY

The Group's strategy is to identify high-quality asset and wealth management businesses which can be added to the AssetCo stable and improved by working alongside our experienced management team to improve their capabilities, distribution and reach.

Our key areas of focus include being a responsible company and manager, meeting the needs of clients and investors and to expand through a combination of selective acquisitions and organic growth.

## KEY PERFORMANCE INDICATORS (KPIs)

Given the significant change in strategy during the year previous KPIs are no longer relevant.

The financial key performance indicators for the year ended 30 September 2021 were as follows:

	2021	2020	Movement
Profit before tax (£'000s)	16,129	3,361	+12,768
Share price (in £)	17.00	4.11	+12.89

The increase in profit before tax arises mainly from the successful conclusion of the litigation case against Grant Thornton. The share price improvement reflects the return to shareholders of almost £27 million from the funds released by the Grant Thornton litigation as well the subsequent completion of two acquisitions which demonstrate the successful commencement of our transformation into an asset and wealth management business.

The key measurements for the asset and wealth management businesses under our control or influence, include revenue and profitability, AuM and investment performance. Detailed KPIs will be developed in 2022.

## PRINCIPAL RISKS AND UNCERTAINTIES

The directors continuously monitor the business and markets to identify and deal with risks and uncertainties as they arise. Set out below are the principal risks which we believe could materially affect the company's ability to achieve its strategy. The risks are not listed in order of significance.

### FAILURE TO ATTRACT INVESTMENT FUNDS

The new strategy involves the development of an asset and wealth management business. Such businesses are operationally geared and success depends on attracting adequate investment funds to manage. If the asset and wealth management business fails to attract sufficient assets, this could have a material adverse effect on the Company's business, financial condition and prospects.

In transforming AssetCo into an asset and wealth manager, a significant amount work and detailed due diligence is undertaken to identify appropriate and complementary target businesses to acquire. The experience and expertise of the Directors, management and the teams in the underlying businesses should enable them to attract investment funds.

### PORTFOLIO, INVESTMENT AND CLIENT MANAGEMENT RISK

The risk arises from poor investment returns.

AssetCo is an asset and wealth manager. Its underlying businesses manage a wide range of portfolios. There may be periods where some portfolios have weaker performance, but during this time other portfolios should perform better. We recognise the importance of delivering long-term returns and good service levels to clients.

### REGULATORY RISK

There is a risk of financial fines, legal penalties and material loss if AssetCo and/or its underlying businesses fail to act in accordance with laws and regulations.

The Company will continue to dedicate considerable time and resources to ensure it meets its regulatory obligations. The Group has its own in-house legal counsel and engages when necessary a law firm whose speciality is regulatory compliance.

**OPERATIONAL RISK**

Operational risk is the risk of loss from inadequate or failed internal processes, people and systems, or from external events.

The management of operational risk is a key focus for senior management within AssetCo and its underlying businesses. The AssetCo head office team is very experienced and meets management of operating businesses regularly to review major issues and to ensure proper functioning of controls.

**PEOPLE RISK**

The lack of retention of key employees and the inability to attract new talent affects the continuity and effectiveness of on-going relationships with stakeholders.

People are key part of an asset and wealth management business. The stability and development of our teams is critical to our success.

This risk of losing people is minimised by ensuring a team approach across all aspects of the Company and its underlying businesses. In addition, to retain key employees and attract new talent incentivisation packages are in place.

**EFFECTS OF COVID-19 PANDEMIC**

The COVID-19 pandemic has had a significant effect on all activities globally during 2021. Personal engagement is very important in developing asset and wealth management businesses.

AssetCo and its underlying businesses continue to monitor the impact of the virus on economies, markets and investors. The diversity of our businesses and their client bases means AssetCo is well positioned to weather any further headwinds and to take advantage of opportunities that arise.

**S.172 STATEMENT**

Under section 172 of the Companies Act 2006 (the "CA 2006") the directors have a duty to promote the success of the company for the benefit of the shareholders as a whole. In doing so the directors are required to have regard to matters set out in section 172(1) of the CA 2006 and the likely consequences of any decision in the long-term; the desirability of the company for maintaining a reputation for high standards of business conduct; and the need to act fairly as between members of the company.

In this context, the company is proposing to seek new revenue opportunities in developing an asset and wealth management business. The Board considers that its primary stakeholders are shareholders, employees clients and suppliers. We set out below how we engage with our stakeholders.

**Shareholders** – contact with our shareholders is through a number of avenues which include the annual report, AGM, one-to-one meetings (when allowed) and telephone conversations. Matters under discussion include strategy and its execution and generating strong returns.

**Employees** – all employees are senior experienced professionals and open discussion of the challenges facing us is encouraged and frequent.

**Clients** – the company through its subsidiaries aims to provide investment products that meet the needs of investors. The company's distribution team have a busy engagement schedule in this regard and update the Board on a regular basis in terms of how client needs are evolving.

**Suppliers** – the company places reliance on external third party providers for certain activities and services. The selection process and engagement with these parties is undertaken by senior management to ensure the smooth operation and delivery of services to the company.

By order of the board

**Stephen Murphy**  
*Company Secretary*

18 February 2022

Company Registration Number: 04966347

# 5. DIRECTORS' REPORT

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## INTRODUCTION

The directors present their annual report and the audited consolidated financial statements of the Group for the year ended 30 September 2021.

## RESULTS

The financial statements are set out on pages 30 to 70.

## DIVIDEND

The directors do not propose a dividend this year (2020: £nil).

## CAPITAL STRUCTURE

The primary objective of the company's capital management is to ensure that capital is available to allocate to the business that maximises shareholder value.

Full details of the authorised and issued capital, together with details of the movements in the company's issued share capital during the year, are shown in note 24.

## THE COMPANY

AssetCo plc is a public limited company registered and domiciled in England and Wales with the registered number 4966347. The registered office is Singleton Court Business Park, Wonastow Road, Monmouth, NP25 5JA.

## FINANCIAL RISK MANAGEMENT

See note 3 to the financial statements.

## RESEARCH AND DEVELOPMENT

No expenditure has been incurred during the year in respect of research and development activities.

## FUTURE DEVELOPMENTS

The outlook for the Group is set out in the Chairman's Statement.

## DIRECTORS

The directors of the Company who were in office during the year, and up to the date of signing the financial statements, were as follows:

**Martin Gilbert** (Chairman) – appointed as a director 25 January 2021

**Campbell Fleming** (CEO) – appointed 2 October 2021

**Peter McKellar** (Executive) – appointed 25 January 2021

**Christopher Mills** (Non- Executive)

**Tudor Davies** (Non-Executive)

**Mark Butcher** (Non-Executive)

Tudor Davies was executive chairman until 15 April 2021 when the company was re-admitted to AIM following a change of strategy. On that date Martin Gilbert became Chairman and Tudor Davies became a non-executive.

The company secretary up until 15 April 2021 was Tudor Davies. The company secretary from that date until the date of signing this report, was Stephen Murphy.

## DIRECTORS' SHAREHOLDINGS

The beneficial interests of the directors in the shares of the company were as follows:

	At 30 September 2021 No.	At 30 September 2020 No.
Martin Gilbert	720,000	–
Campbell Fleming *	150,000	–
Peter McKellar	259,482	–
Tudor Davies **	200,000	32,813
Christopher Mills ***	1,803,800	5,905,779
Mark Butcher	6,896	–

\* Campbell Fleming was appointed since the year end but did hold 150,000 ordinary shares at 30 September 2021.

\*\* Tudor Davies is deemed to have an interest in 200,000 shares held by Cadoc Limited, a company controlled by his family.

\*\*\* Christopher Mills, as chief executive and a member of Harwood Capital LLP, is deemed to have an interest in the 1,803,800 shares owned by various funds associated with Harwood Capital LLP.

## SUBSTANTIAL SHAREHOLDINGS

At 2 February 2022 the company secretary has been notified, in accordance with Chapter 5 of the Disclosure Guidance and Transparency Rules sourcebook as issued by the Financial Conduct Authority, of the following interest in 3% or more in the ordinary share capital of the company:

	No. of shares	% of issued share capital
Harwood Capital LLP	1,796,500	21.32%
Toscafund Asset Management LLP	1,048,368	12.44%
Martin Gilbert	720,000	8.55%
ICM Limited	708,967	8.42%
Lombard Odier Asset Management (Europe) Limited	651,500	7.73%
Richard Griffiths	302,113	3.59%
Janus Henderson Group Plc	275,000	3.26%
Peter McKellar	259,482	3.08%

## PRINCIPAL ACTIVITIES

During the year the Company has effected a transition from being a fire and rescue provider to its new strategy of developing an asset and wealth management business. The company has acquired majority stakes in two businesses and immediately after the year end acquired a 30% stake in another. Accordingly the group's activities now involve fund management, high-growth thematic, and digital platforms. These are discussed in more detail in the Chairman's statement on pages 2 to 5 and the Business Review on pages 6 to 9.

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## SHARE BUY-BACK

Following the successful conclusion of the litigation against the Company's former auditor, Grant Thornton, the excess cash realised, amounting to approximately £26.9 million, was returned to shareholders in December 2020 via a tender offer for 50% of the share capital in issue at the time. The number of shares repurchased and subsequently cancelled was 6,532,942 with a nominal value of £653,294 (see note 24).

## BUSINESS COMBINATIONS AND DISPOSALS

Business combinations during the year are discussed in note 18.

## POST BALANCE SHEET EVENTS

As mentioned in the Chairman's statement there were two post balance sheet events. These are set out in more detail in note 31 Post Balance Sheet Events.

## GOING CONCERN

The directors have considered the going concern assumption of the company, AssetCo plc, by assessing the operational and funding requirements of the Group.

As set out in the Chairman's statement the board has decided to pursue a new strategy of developing an asset and wealth management business. The successful conclusion of the claim against Grant Thornton has generated cash resources and freed up management time which, together with the appointment of two new directors with considerable experience of asset and wealth management, means the company is well placed to make a success of this.

The directors have prepared financial projections along with sensitivity analyses of reasonably plausible alternative outcomes. The forecasts demonstrate that the directors have a reasonable expectation that the existing Group has adequate financial resources to continue in operational existence for the foreseeable future.

On 25 January 2022 the Company announced a formal bid to acquire 94.15% of River and Mercantile Asset Group Plc. As a result of its size, the Acquisition constitutes a Reverse Takeover for AssetCo for the purposes of the AIM Rules. In advance of the potential Acquisition, AssetCo will be required to undertake a re-admission process and to publish a re-admission document and to seek the approval of AssetCo Shareholders for the Acquisition at the AssetCo General

Meeting. The Acquisition will also be conditional on the approval of AssetCo Shareholders to the granting of authorities necessary for the issuance of the New AssetCo Shares, such authorities to be put to the AssetCo Shareholders at the AssetCo General Meeting.

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and the company financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### **DIRECTORS' CONFIRMATIONS**

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **DIRECTORS' LIABILITY INSURANCE**

The Company has entered into deeds of indemnity for the benefit of each director of the Company in respect of liabilities to which they may become liable in their capacity as director of the Company and any company in the Group. Those indemnities are qualifying third party indemnity provisions for the purposes of S. 234 of Companies Act 2006 and have been in force from 15 April 2021 up to date of approval of the financial statements.

### **INDEPENDENT AUDITORS**

In accordance with section 489(4) of the Companies Act 2006, a resolution to reappoint PricewaterhouseCoopers LLP will be proposed at the annual general meeting.

### **CORPORATE GOVERNANCE**

The Company's statement of corporate governance can be found on pages 18 to 21 of these financial statements. The Corporate Governance Statement forms part of this Report of the Directors and is incorporated by cross-reference. The Board confirms that it has complied with the requirements of the Quoted Company Alliance Corporate Governance Code for small and medium sized companies

### **ANNUAL GENERAL MEETING**

The resolutions to be proposed at the forthcoming Annual General Meeting are set out in the formal notice of the meeting as set out on pages 71 to 77.

### **RECOMMENDATION**

The Board considers the resolutions to be proposed at the Annual General Meeting are in the best interests of Company and it is unanimously recommended that shareholders support these proposals as the Board intends to do in respect of their own holdings.

By order of the Board

**Stephen Murphy**  
*Company Secretary*

18 February 2022

Company Registration Number: 04966347

# 6. CORPORATE GOVERNANCE REPORT

In accordance with AIM Rule 26, the Company chooses to report against the Quoted Company Alliance Corporate Governance Code for small and medium sized companies (the "QCA Code").

The following Report sets out the Company's governance arrangements and goes on to describe how we have complied with each of the ten principles in the QCA Code.

## GOVERNANCE FRAMEWORK

The Company, consistent with the early stages of the implementation of its business strategy, has a flat management structure.

The Board comprises three Executive Directors and three Non-Executive Directors. The Board is responsible for matters of strategy, performance, budgeting and resources as well as setting standards of conduct and accountability. The Board has delegated authority for the day to day running of the business to the Chief Executive Officer.

The Board considers Mark Butcher will be an independent Director for the purposes of the QCA Code and recognises that it does not currently comply with the requirement to have at least two independent Directors. The Board is continuing its search for another independent non-executive Director.

All Directors are required to stand for re-election on an annual basis at the Company's annual general meeting in accordance with the Company's Articles of Association.

The Chairman, in conjunction with the Executive Directors and Company Secretary, sets the agenda for each Board Meeting management information is delivered ahead of each Meeting and the decisions of the Board are formally minuted.

## BOARD AND COMMITTEE ATTENDANCE

During the year, the Board held 10 scheduled Meetings, which included Meetings to approve specific transactions as well as Meetings to approve the Company's full and half year results. All meetings were attended by all board members.

## DELEGATION OF AUTHORITY

The Board is responsible for setting strategy, purpose and the direction of the Company. The Board has delegated:

- to the Chief Executive Officer authority for the day to day running of the business; and
- specific authority (as set out in the terms of reference of each committee) to the Audit, Remuneration, Nominations and Disclosure Committees (the "Committees"). The Committees have the following remits:
  - The Audit Committee is comprised of Tudor Davies (Chair), Christopher Mills and Mark Butcher. The Audit Committee is focused on the key areas of financial integrity, internal controls and risk management. This includes:
    - review of the financial statements and Annual Report;
    - consideration of the external audit report and management representation letter;
    - going concern review;
    - review of the 2021 audit plan and audit engagement letter;
    - review of the risk management and internal control systems;
    - review of the interim results; and
    - meetings with the auditors with and without management present

The Audit Committee monitors the relationship with the auditors, PwC LLP, to ensure that the auditors' independence and objectivity are maintained. As part of its review the Committee monitors the provision of non-audit services by the external auditors.

The auditors prepare an audit plan for the full-year financial statements. The audit plan sets out the scope of the audit, areas of special focus and audit timetable. This plan is reviewed and agreed in advance by the Audit Committee. Following the audit of the annual financial statements, the auditors present their findings to the Audit Committee for discussion.

Areas of significant risk and matters of audit judgement are regularly discussed, and are detailed in note 4; 'Critical accounting estimates and judgements'. External experts were engaged for key areas of focus; such as the identification and valuation of intangible assets on acquisition, and valuation of the long-term incentive plan, in the preparation of the 2021 financial statements.

During the year ended 30 September 2021 the Audit Committee met twice;

- the Remunerations Committee is tasked with ensuring that Directors and senior employees are provided with an appropriate package of incentives and rewards that align personal reward with increased shareholder value over both the short and longer term. The Remuneration Committee is comprised of Christopher Mills (Chair), Tudor Davies and Mark Butcher. During the year ended 30 September 2021 the Remuneration Committee met twice;
- the Nominations Committee is responsible for reviewing the structure, size and composition of the Board and identifying and nominating, for the approval of the Board, candidates to fill vacancies on the Board as and when they arise. The Nominations Committee is comprised of Mark Butcher (Chair), Christopher Mills and Tudor Davies. During the year ended 30 September 2021 the Nominations Committee met once; and
- the Disclosure Committee is a recently established Committee formed to determine whether information concerning the Company or its shares constitutes inside information which should be disclosed to the market to include the timing of such disclosures. The Disclosure Committee is comprised of Martin Gilbert, Campbell Fleming and Nicholas Heather, the Company's general counsel. The Disclosure Committee is an ad hoc, recently established Committee and has not met during the year ended 30 September 2021.

The terms of reference for each of the Committee is available on the Company's website at [www.assetco.com](http://www.assetco.com).

The Committees are provided with sufficient resources to discharge their duties, including access to external advisers where required.

### QCA CODE COMPLIANCE

The disclosures below describe in detail how we meet or did not meet the principles in the QCA Code against which the Company chooses to report its governance arrangements. A formal statement on our compliance with the QCA Code is set out in the Directors Report at page 14.

#### 1. Establish a strategy and business model which promote the long term value for Shareholders

The principle activities at the Company and its strategy are set out and explained in the Directors' Report section on page 14 of this document.

#### 2. Seek to understand and meet Shareholders needs and expectations

The Company, through its Chairman, has regular contact with its institutional Shareholders. The Board supports the principle that the Annual General Meeting will be used to communicate with private Shareholders and will encourage them to participate.

The restrictions imposed as a result of the pandemic require the Annual General Meeting to be held as a closed meeting. However Shareholders have been offered the opportunity to raise any questions in advance.

Shareholders can access corporate, regulatory, news, share capital information on the Company's website at [www.assetco.com](http://www.assetco.com). Enquiries can be directed to the Board via the corporate email address: [info@assetco.com](mailto:info@assetco.com).

#### 3. Take into account wider stakeholder and social responsibilities and their implications for long term success

The Company is at an early stage in terms of the implementation of its new strategy. As the Company grows and develops its business it will develop a new set of stakeholders (including its employees) and it is mindful of the need for wider stakeholder and social responsibilities to achieve long term success.

In this regard the Company has adopted a number of policies (including modern slavery and anti-tax avoidance policies) and these are available on the Company's website at [www.assetco.com](http://www.assetco.com). In addition the Company has formally adopted policies in respect of Environmental, Social and Governance matters ("ESG") as explained below.

**4. Embed effective risk management, considering both opportunities and threats, throughout the organisation**

The Board considers regularly the risks relating to the Company's activities. Details of the principal risks facing the Company are set out in Part II of the readmission document published by the Company on 26 March 2021 (the "**Readmission Document**") under the heading "Risk Factors". A copy of the Readmission Document is available on the Company's website at [www.assetco.com](http://www.assetco.com). Further details of the risks and uncertainties facing the Company are set out in the Strategic Report on page 12 of this document.

**5. Maintain the Board as a well-functioning balances team led by the Board**

The composition of the Board is considered to be appropriate in terms of the current development of the Company's business strategy. Notwithstanding this the Company continues its search for an appropriately qualified independent non-executive Director. There are four Board Committees. The terms of reference for each is available on the Company's website at [www.assetco.com](http://www.assetco.com).

**6. Ensure that between them the Directors have the necessary up-to-date skills and capabilities**

The Directors (biographical details in respect of which are set out on pages 10 and 11 of this document) have a wide range of qualifications and expertise which is to be considered appropriate in terms of the implementation of the Company's strategy.

**7. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement**

It is the intention of the Board to put in place a formal evaluation process for all Directors in line with our new strategic focus.

**8. Promote a corporate culture that is based on ethical values and behaviours**

The Board, in developing the Company through implementation of its new strategy, will promote a positive corporate culture, ideals and desired ethical behaviours within the Company, and communicate these across the business as its size increases.

**9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board**

The Board is responsible for the Company's system of internal control and reviewing its effectiveness. The procedures for planning and monitoring the operation and performance of the Company, as well as its compliance with applicable law and regulations, are set out in the Directors' Report on page 14 of this document.

**10. Communicate how the Company is governed and is performing by maintaining a dialogue with Shareholders and other relevant stakeholders**

The principal method of communicating the Company's corporate governance process and principles is the Annual Report which is being sent directly to Shareholders and is available on the Company's website at [www.assetco.com](http://www.assetco.com). The Annual General Meeting also provides an opportunity for Shareholders to address corporate governance matters.

**INTERNAL CONTROL**

The board is responsible for the company's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The directors review the internal control processes on a regular basis.

The company has established procedures for planning and monitoring the operational and financial performance of all businesses in the company, as well as their compliance with applicable laws and regulations. These procedures include:

- clear responsibilities for financial controls and the production of timely financial management information;

- the control of key financial risks through clearly laid down authorisation levels and proper segregation of accounting duties;
- the review of business updates, cash flows and cash balances by management and the board;

### ENVIRONMENTAL SOCIAL AND GOVERNANCE

In pursuing its strategy the Company is committed to a responsible business approach that delivers positive outcomes and sustainable long term value to allow stakeholders. In this regard the Company has developed an Environmental Social and Governance Statement.

This ESG policy statement (or "**ESG Policy**") applies to AssetCo plc ("**AssetCo**"). AssetCo is the holding company whose mission is to acquire, manage and operate asset and wealth management activities and interests, together with other related services (our "**Mission**").

In pursuing our Mission we are committed to a responsible business approach that delivers positive outcomes and sustainable long term value to all our stakeholders and particularly to our clients. At the heart of this is our ESG Policy which is incorporated into all our decision making processes.

In framing our ESG Policy we are, and will continue to be, focused on our clients concerns and needs. We will endeavour to engage with our clients to understand and accommodate their ESG requirements in terms of the services we provide.

Our ESG Policy is not static, it will evolve as our business evolves and we will continually look to improve our ESG Policy in the light of best market practice and the expectations of our stakeholders.

#### ENVIRONMENTAL

We will strive to reduce the impact of our business activities on the environment. This will include reducing our energy, carbon, water and waste footprint. In due course we intend to implement systems to track all our major environmental impacts so that we might assess the effectiveness of our policies and report to our stakeholders.

#### SOCIAL

We intend to be a responsible member of the community and a force for positive change. We will endeavour to contribute to the community through the philanthropic and cultural partnerships and encourage employee volunteering. Wherever possible we will look to address critical social issues – such as inclusivity, equal opportunity and mental health and promote catalysts for change such as the arts, sport and education.

#### GOVERNANCE

We intend, commensurate with the size of the AssetCo business, to embrace high standards of integrity, transparency and corporate governance. We will look to foster a culture of inclusion, diversity (including gender balance) and equal opportunity across our businesses. We will treat our staff with integrity and respect. We are a values led business and will look to attract, develop and retain the best talent.

We intend to regularly engage with our investors and to take heed of their views. We also intend to support initiatives developed by appropriate regulators (including the FCA) and to implement and maintain systems to ensure compliance with all regulatory requirements.

#### MEMBERSHIP AND REPORTING

In pursuing our Mission we are at an early stage. In due course, as we grow, we intend to bolster our ESG agenda by supporting or adopting initiatives such as the United Nations-backed Principles for Responsible Investment and the UK Stewardship Code.

Likewise, in due course, we intend to implement annual ESG reporting and other external communications to evidence our commitment to our ESG Policies.

#### ACQUISITIONS AND SERVICE PROVIDERS

Our Mission is largely predicated by an acquisition strategy. In terms of businesses acquired we will look to ensure that they have or adopt policies and initiatives which are consistent with our ESG Policy. Likewise we will expect all significant service providers to AssetCo and its businesses to have in place policies which are consistent with our ESG Policy.

# 7. INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASSETCO PLC

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### OPINION

In our opinion, AssetCo plc's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 30 September 2021 and of the group's profit and the group's and company's cash flows for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: Consolidated and Company statement of financial position as at 30 September 2021; Consolidated income statement, Consolidation statement of comprehensive income, Consolidated and Company statement of cash flows, and Consolidated and Company statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### INDEPENDENCE

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### OUR AUDIT APPROACH

#### OVERVIEW

##### Audit scope

- We have performed full-scope audit procedures in respect of the Company, AssetCo plc
- Our audit scope included specified audit procedures in respect of the subsidiary, Rize ETF Limited
- Our audit procedures covered over 97% of the Group's total assets for the year ended 30 September 2021
- All work has been performed by the group team.

##### Key audit matters

- Valuation of the long-term incentive plan ("LTIP") (group and parent)
- Consolidation decisions, including the valuation of intangible assets and goodwill on acquisition (group)
- Recoverability of Group goodwill and the Company's investment in subsidiaries (group and parent)
- Estimation of current tax payable and expense in relation to an uncertain tax position (group and parent)

##### Materiality

- Overall group materiality: £596,000 (2020: £336,000) based on 1% of total assets.
- Overall company materiality: £566,000 (2020: £336,000) based on component allocation of group materiality.
- Performance materiality: £447,000 (2020: £252,000) (group) and £424,000 (2020: £252,000) (company).

### THE SCOPE OF OUR AUDIT

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

**KEY AUDIT MATTERS**

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Valuation of the long-term incentive plan ("LTIP"), Consolidation decisions, including the valuation of intangible assets and goodwill on acquisition, Recoverability of Group goodwill and the Company's investment in subsidiaries and Estimation of current tax payable and expense in relation to an uncertain tax position, are new key audit matters this year. Accounting treatment of Grant Thornton settlement claim, and Impact of COVID-19, which were key audit matters last year, are no longer included because the amounts recognised in the current year in respect of the settlement claim are in accordance with the treatment concluded on in the prior year, the Group and Company has continued to operate throughout the pandemic and Covid-19 is no longer considered a pervasive risk. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
<p><i>Valuation of the long-term incentive plan ("LTIP") (group and parent)</i></p> <p>During the year, the Group and Company implemented a Long Term Incentive Plan ("LTIP") for senior management and executive directors. The increase in the group's market value as calculated under the agreed formula gives rise to a pool which, in the ordinary course of events, is settled one third in cash within 60 days of the year end, and two thirds in shares over a vesting period of 5 years in equal annual instalments. For the 2021 LTIP pool it has been agreed by the board that the initial one third normally payable in cash will be equity-settled.</p> <p>The awards of 993,315 deferred shares have been accounted in accordance with IFRS 2 as equity-settled share based payments, and the fair value has been measured at the grant date of the shares, and is recognised in equity in the share-based payment reserve. Refer to note 24, Other reserves.</p> <p>Management engaged with an independent expert to value the share-based awards at the grant date. As the awards were granted two days before the performance period end date (30 September 2021), the experts were able to determine the Company's Volume-Weighted Average Price ("VWAP") for 18 out of the 20 dealing days required to determine the Award value. Estimation was therefore limited to the share price for the final 2 days. Refer to note 30, Deferred shares long-term incentive plan.</p>	<p>We obtained management's experts share-based payment expense calculation and verified the mathematical accuracy, and appropriate application of the accounting standards. We consulted with our technical experts and concurred with the methodology applied and charge recognised in the Consolidation income statement.</p> <p>We obtained and reviewed the LTIP agreement, and assessed the number of shares to be issued have been calculated in accordance with the Rules. This has been corroborated to the award letters to participants.</p> <p>We used our internal valuation experts to review the methodology and integrity of the calculation of fair value, and key inputs used in determining the valuation in accordance with the rules. We have corroborated key inputs to supporting evidence.</p> <p>We concur with the valuation approach adopted by management's experts for IFRS 2 purposes. We have evaluated the disclosures included within the Annual report.</p>

Key audit matter	How our audit addressed the key audit matter
<p><i>Consolidation decisions, including the valuation of intangible assets and goodwill on acquisition (group)</i></p> <p>The transformation of AssetCo into an asset wealth management business in the current year included the acquisition of a majority stake in 2 companies; 100% holding in Saracen Fund Managers Limited, and a 68% interest in Rize ETF Limited. The Directors assessed the group to have control over these entities, and the acquisition method of accounting has been applied to account for the business combination by the group. Refer to note 18, Business Combinations.</p> <p>Judgement is applied by the Directors' in the determination of control of Rize ETF Limited under IFRS 10. As detailed in note 4, Critical accounting estimates and judgements, the Directors' consider the shareholder agreement in place confers considerable control to the Group, and therefore has been consolidated as a subsidiary.</p> <p>The net assets acquired are to be measured at fair value, including identifiable intangible assets. There is inherent judgement applied in identifying the intangible assets on acquisition, and the valuation includes key assumptions in the forecast cash flows, such as discount rates and profit margins. The amount of goodwill recognised is dependent on the valuation of the intangible assets. Refer to note 18, Business Combinations.</p> <p>The Directors' engaged an independent expert for the purchase price allocation exercise. The intangible assets (brands) recognised on acquisition have been disclosed in note 16, Intangible assets.</p>	<p>Our procedures included;</p> <ul style="list-style-type: none"> <li>• We obtained the Directors' accounting paper prepared to assess control, and challenged AssetCo's right to, and power to affect the variable returns from the acquired entity. We corroborated key terms to the supporting shareholder agreements and Company's articles. While we concur that there are the appropriate indicators of control including the ability to direct the Board, determination of control remains a key judgement.</li> <li>• We have evaluated the adequacy of disclosures detailing these key judgements applied by the Directors in note 4, Critical accounting estimates and judgements.</li> <li>• We have worked alongside our internal valuation experts to assess the competency of management's experts, and to review the identification and valuation analysis prepared to calculate the fair value of the intangible assets used in the business combination accounting. This included; <ul style="list-style-type: none"> <li>– Assessed the appropriateness of the methodology applied, and integrity of the discounted cash-flow used to determine the fair value of the intangibles assets in the business combination. Corroborated cash flows to Board approved forecasts;</li> <li>– Challenged the key assumptions made by management in determining the fair values, in particular, the forecast EBITDA margin and discount rates, and benchmarking of discount rates; and</li> <li>– Assessed the Group's disclosures regarding the acquisition and estimation assumptions and whether they had been disclosed appropriately.</li> </ul> </li> </ul> <p>We concur that the approach adopted is in accordance with the accounting standards.</p>

Key audit matter	How our audit addressed the key audit matter
<i>Recoverability of Group goodwill and the Company's investment in subsidiaries (group and parent)</i>	
<p>Following the acquisitions in the year, £19.787m of goodwill has been recognised in the consolidated financial statements as at 30 September 2021.</p> <p>The investment in subsidiaries included in the Company statement of financial position as at 30 September 2021 is £25.194m, which includes £5.25m preference shares invested immediately upon acquisition in Rize ETF.</p> <p>Goodwill in the Group and the Company's investment in subsidiaries are significant, and the estimated recoverable amount of these balances is subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows.</p> <p>The impairment reviews therefore include significant estimates and judgements in respect of future growth rates, cash flows and discount rates. The sensitivity of these key assumptions are detailed in note 16, Intangible assets.</p>	<p>We obtained the group's cash flow forecasts supporting its assessments and performed the following procedures;</p> <ul style="list-style-type: none"> <li>Assessed the methodology used by management in accordance with IAS 36 'Impairment of assets' and tested the mathematical accuracy of the model;</li> <li>Agreed forecast cash flows to board approved budgets, and evaluated and challenged key assumptions within the cashflows and validated to supporting documentation where appropriate. We worked with our PwC Valuation experts to consider key inputs such as the discount rate; and</li> <li>Performed sensitivity analysis including the effect of reasonably possible reductions in forecast cash flows to evaluated the impact on the carrying value of the goodwill and investment in subsidiaries.</li> </ul> <p>We have assessed the adequacy of the Group and Company's disclosures regarding the goodwill and investment in subsidiaries, and the sensitivity of the outcome of the impairment assessment to changes in key assumptions used in the model. We concur with management's assessment that no impairment charge is required in respect of goodwill and intangible assets.</p>
<i>Estimation of current tax payable and expense in relation to an uncertain tax position (group and parent)</i>	
<p>The Group and Company's current tax provision relates to the Directors assessment of the amount of tax payable on open positions where the liabilities remain to be agreed with the relevant tax authorities. The uncertain tax items relates to the Directors' interpretation of tax legislation applicable to key transactions that have occurred in the year, specifically the award in the settlement of the case against Grant Thornton on 2 October 2020 for £30.515m (£.4.957m of which was reflected in the prior year).</p> <p>The Directors' recognise that due to the uncertainty associated with such tax items, it is possible that, on conclusion of open tax matters at a future date, the final outcome may differ significantly. A range of outcomes for additional or reduction in tax liabilities are further disclosed in note 4, Critical accounting estimates and judgements.</p>	<p>We have assessed the uncertain tax position in accordance with IFRIC 23. We obtained management's tax paper, and challenged the key judgements and application of tax legislation, supported by our internal tax specialists. We have reviewed the analysis prepared in the assessment and confirmed the accuracy of the calculations.</p> <p>We have assessed the effect of the uncertainty reflected in the calculated current tax using the 'most likely amount' method.</p> <p>We have reviewed the disclosures to ensure the appropriate risks and estimation uncertainty are adequately described in note 4, Critical accounting estimates and judgements.</p>

**HOW WE TAILORED THE AUDIT SCOPE**

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

As a result of the strategic change of AssetCo to building and operating an asset wealth management business, majority equity stakes were acquired in two entities during the year. Consequently this is the first year consolidated financial statements has been presented.

Saracen Fund Managers Limited is an active manager of listed equity portfolios, is FCA regulated and registered in the UK. Rize ETF Limited is a provider of thematic investment strategies via Exchange Traded Funds and is registered in the UK. The acquisitions completed in July 2021, and therefore the performance of the two entities have had a limited impact to the overall Group profit for the year.

AssetCo plc is assessed as a financially significant component of the Group given the significant total assets value, and a full-scope audit of this component has been performed. Our audit scope also included specified audit procedures in respect of Rize ETF Limited, where we designed audit procedures to gain coverage over certain financial statement line items. Desktop review procedures were performed on Saracen Fund Managers Limited.

Our audit procedures covered over 97% of the Group's total assets for the year ended 30 September 2021. All procedures have been performed by the group engagement team.

**MATERIALITY**

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – group	Financial statements – company
<i>Overall materiality</i>	£596,000 (2020: £336,000).	£566,000 (2020: £336,000).
<i>How we determined it</i>	1% of total assets	Component allocation of group materiality
<i>Rationale for benchmark applied</i>	Based on the benchmarks used in the Annual Report, total assets are considered as the primary measure used by the shareholders in assessing the performance of the Company, and is a generally accepted auditing benchmark.	Since the materiality we would have employed to this entity on a standalone basis was in excess of the component allocation, materiality was capped at the component materiality allocation.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was £566,000.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2020: 75%) of overall materiality, amounting to £447,000 (2020: £252,000) for the group financial statements and £424,000 (2020: £252,000) for the company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £29,800 (group audit) (2020: £16,800) and £28,300 (company audit) (2020: £16,800) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

### CONCLUSIONS RELATING TO GOING CONCERN

Our evaluation of the directors' assessment of the group's and the company's ability to continue to adopt the going concern basis of accounting included:

- Verifying the integrity and mathematical accuracy of management's model as well as agreeing underlying cash flow projections to management approved forecasts.
- Evaluating and challenging the reasonableness of the key assumptions in management's model, and corroborating to source documents where applicable
- Evaluating the sensitivity analysis that takes account of severe, but plausible downside scenarios.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### REPORTING ON OTHER INFORMATION

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### STRATEGIC REPORT AND DIRECTORS' REPORT

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 30 September 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

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## **RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT**

### **RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS**

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

### **AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to regulatory compliance matters, AIM rules and employment legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as tax legislation and Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journal entries to manipulate financial results and potential management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Review of correspondence with the Group's regulators, including the Financial Conduct Authority ('FCA') for relevant subsidiaries;
- Enquiry with management around known or suspected instances of non-compliance with laws and regulations and fraud;
- Review of minutes of meetings of those charged with governance;
- Challenging assumptions made by management in its significant accounting estimates, in particular in relation to the uncertain tax position, business combination accounting, impairment assessment, valuation of share-based awards and establishing control for consolidation decisions; and
- Identifying and testing the validity of journal entries, in particular any journal entries posted with unusual account combinations and consolidation journals.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### **USE OF THIS REPORT**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **OTHER REQUIRED REPORTING**

##### **COMPANIES ACT 2006 EXCEPTION REPORTING**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

##### **Jason Clarke**

*Senior Statutory Auditor*

for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Cardiff

18 February 2022

# 8. CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Note	2021 £000	2020 £000
<b>Continuing operations</b>			
Revenue	5	408	–
Cost of sales		(536)	–
<b>Gross (loss)/profit</b>		<b>(128)</b>	<b>–</b>
Other income	6	22,388	4,597
Administrative expenses		(7,967)	(1,192)
<b>Operating profit</b>	7	<b>14,293</b>	<b>3,405</b>
Investment income	10	1,844	18
Finance costs	11	(8)	(62)
<b>Profit before tax</b>		<b>16,129</b>	<b>3,361</b>
Income tax expense	13	(1,442)	–
<b>Profit for the year</b>		<b>14,687</b>	<b>3,361</b>
<b>Profit/(loss) attributable to:</b>			
Owners of the parent		14,796	3,361
Non-controlling interest		(109)	–
		<b>14,687</b>	<b>3,361</b>
<b>Earnings per ordinary share attributable to the owners of the parent during the year</b>			
Basic – pence	14	180.57	27.52
Diluted – pence	14	161.05	27.52

# 9. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Note	2021 £000	2020 £000
Profit for the year	5	14,687	3,361
<b>Other comprehensive (expense)</b>			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translating foreign operations		(7)	(871)
<b>Other comprehensive (expense), net of tax</b>		(7)	(871)
<b>Total comprehensive income for the year</b>		<b>14,680</b>	<b>2,490</b>
Attributable to:			
Owners of the parent		14,789	2,490
Non-controlling interests		(109)	–
<b>Total comprehensive income for the year</b>		<b>14,680</b>	<b>2,490</b>

# 10. CONSOLIDATED AND COMPANY'S STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2021

	Note	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	15	16	-	-	-
Intangible assets	16	20,067	-	-	-
Investments in subsidiaries	17	-	-	25,194	-
Deferred tax assets	25	-	-	-	-
<b>Total non-current assets</b>		<b>20,083</b>	<b>-</b>	<b>25,194</b>	<b>-</b>
<b>Current assets</b>					
Trade and other receivables	19	607	4,683	108	4,683
Financial assets at fair value through profit and loss	20	12,000	-	12,000	-
Current income tax receivable		3	-	-	-
Cash and cash equivalents	21	26,902	27,860	22,226	27,860
Cash held in respect of bonds	21	-	1,058	-	1,058
<b>Total current assets</b>		<b>39,512</b>	<b>33,601</b>	<b>34,334</b>	<b>33,601</b>
<b>Total assets</b>		<b>59,595</b>	<b>33,601</b>	<b>59,528</b>	<b>33,601</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Deferred tax liability	25	49	-	-	-
<b>Total non-current liabilities</b>		<b>49</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>					
Trade and other payables	22	1,972	1,256	1,466	1,256
Current income tax liabilities		1,437	-	1,437	-
<b>Total current liabilities</b>		<b>3,409</b>	<b>1,256</b>	<b>2,903</b>	<b>1,256</b>
<b>Total liabilities</b>		<b>3,458</b>	<b>1,256</b>	<b>2,903</b>	<b>1,256</b>
<b>Shareholders' equity</b>					
Share capital	24	843	1,221	843	1,221
Share premium	24	27,770	-	27,770	-
Capital redemption reserve	24	653	-	653	-
Merger reserve	24	2,762	-	2,762	-
Other reserve	24	5,496	-	5,496	-
Retained earnings		18,892	31,124	19,101	31,124
		56,416	32,345	56,625	32,345
Non-controlling interest		(279)	-	-	-
<b>Total equity</b>		<b>56,137</b>	<b>32,345</b>	<b>56,625</b>	<b>32,345</b>
<b>Total equity and liabilities</b>		<b>59,595</b>	<b>33,601</b>	<b>59,528</b>	<b>33,601</b>

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the Company income statement. The profit of the Company for the year was £15,005,000. (2020: £3,361,000).

The notes on pages 36 to 70 are an integral part of these consolidated financial statements. The financial statements were authorised for issue by the board of directors on 18 February 2022 and were signed on its behalf by Campbell Fleming.



**AssetCo plc**

Registered number: 04966347

# 11. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Share capital £000	Share premium £000	Capital redemption reserve £000	Merger reserve £000	Other reserve £000	Retained earnings £000	Total £000	Non- controlling interest £000	Total equity £000
<b>Balance at 1 October 2019</b>	25,474	64,941	–	–	–	(60,560)	29,855	–	29,855
Profit for the year	–	–	–	–	–	3,361	3,361	–	3,361
<b>Other comprehensive expense:</b>									
Exchange differences on translation	–	–	–	–	–	(871))	(871)	–	(871)
<b>Total comprehensive income for the year</b>	–	–	–	–	–	2,490	2,490	–	2,490
<b>Capital reduction (see note 24)</b>	(24,253)	(64,941)	–	–	–	89,194	–	–	–
<b>Balance at 30 September 2020</b>	1,221	–	–	–	–	31,124	32,345	–	32,345
Profit for the year	–	–	–	–	–	14,796	14,796	(109)	14,687
<b>Other comprehensive expense:</b>									
Exchange differences on translation	–	–	–	–	–	(7))	(7)	–	(7)
<b>Total comprehensive income for the year</b>	–	–	–	–	–	14,789	14,789	(109)	14,680
<b>Shares issued for cash (note 24)</b>	173	24,840	–	–	–	–	25,013	–	25,013
<b>Costs of share issue (note 24)</b>	–	(515)	–	–	–	–	(515)	–	(515)
<b>Share buy-back (note 24)</b>	(653)	–	653	–	–	(26,850)	(26,850)	–	(26,850)
<b>Costs of share buy-back (note 24)</b>	–	–	–	–	–	(171))	(171)	–	(171)
<b>Shares issued on acquisition (note 18)</b>	17	–	–	2,762	–	–	2,779	–	2,779
<b>Reserve for share-based payments</b>									
– LTIP (note 24)	–	–	–	–	5,496	–	5,496	–	5,496
– Success fee (note 6)	85	3,445	–	–	–	–	3,530	–	3,530
<b>Non-controlling interest acquired (note 18)</b>	–	–	–	–	–	–	–	(170)	(170)
<b>Balance at 30 September 2021</b>	843	27,770	653	2,762	5,496	18,892	56,416	(279)	56,137

# 12. COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Share capital £000	Share Premium £000	Capital redemption reserve £000	Merger reserve £000	Other reserve £000	Profit and loss account £000	Total Equity £000
<b>Balance at 1 October 2019</b>	25,474	64,941	–	–	–	(60,560)	<b>29,855</b>
Profit for the year	–	–	–	–	–	3,361	<b>3,361</b>
<b>Other comprehensive expense:</b>							
Exchange differences on translation	–	–	–	–	–	(871)	<b>(871)</b>
<b>Total comprehensive income for the year</b>	–	–	–	–	–	2,490	<b>2,490</b>
<b>Capital reduction (see note 24)</b>	(24,253)	(64,941)	–	–	–	89,194	<b>–</b>
<b>Balance at 30 September 2020</b>	1,221	–	–	–	–	31,124	<b>32,345</b>
Profit for the year	–	–	–	–	–	15,005	<b>15,005</b>
<b>Other comprehensive expense:</b>							
Exchange differences on translation	–	–	–	–	–	(7)	<b>(7)</b>
<b>Total comprehensive income for the year</b>	–	–	–	–	–	14,998	<b>14,998</b>
<b>Shares issued for cash (note 24)</b>	173	24,840	–	–	–	–	<b>25,013</b>
<b>Costs of share issue (note 24)</b>	–	(515)	–	–	–	–	<b>(515)</b>
<b>Share buy-back (note 24)</b>	(653)	–	653	–	–	(26,850)	<b>(26,850)</b>
<b>Costs of share buy-back (note 24)</b>	–	–	–	–	–	(171)	<b>(171)</b>
<b>Shares issued on acquisition (note 24)</b>	17	–	–	2,762	–	–	<b>2,779</b>
<b>Share-based payments</b>							
– LTIP (note 24)	–	–	–	–	5,496	–	<b>5,496</b>
– Success fee (note 6)	85	3,445	–	–	–	–	<b>3,530</b>
<b>Balance at 30 September 2021</b>	843	27,770	653	2,762	5,496	19,101	<b>56,625</b>

# 13. CONSOLIDATED AND COMPANY'S STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
<b>Cash flows from operating activities</b>					
Cash inflow from operations	27	16,755	8,807	18,025	8,807
Cash released in respect of bonds	21	1,104	2,270	1,104	2,270
Finance costs	11	(8)	(62)	(8)	(62)
<b>Net cash inflow from operating activities</b>		<b>17,851</b>	<b>11,015</b>	<b>19,121</b>	<b>11,015</b>
<b>Cash flows from investing activities</b>					
Payments for acquisition of subsidiaries, net of cash acquired	18	(16,460)	–	(22,415)	–
Dividends received from financial assets held at fair value	10	194	–	194	–
Finance income	10	–	18	–	18
Purchase of property, plant and equipment	15	(8)	–	–	–
Purchase of intangibles	16	(1)	–	–	–
<b>Net cash (outflow)/inflow from investing activities</b>		<b>(16,275)</b>	<b>18</b>	<b>(22,221)</b>	<b>18</b>
<b>Cash flows from financing activities</b>					
Shares issued for cash	24	25,013	–	25,013	–
Costs of share issue	24	(515)	–	(515)	–
Payments for shares bought back	24	(26,850)	–	(26,850)	–
Buy-back transaction costs	24	(171)	–	(171)	–
<b>Net cash consumed by financing activities</b>		<b>(2,523)</b>	<b>–</b>	<b>(2,523)</b>	<b>–</b>
<b>Net change in cash and cash equivalents</b>		<b>(947)</b>	<b>11,033</b>	<b>(5,623)</b>	<b>11,033</b>
Cash and cash equivalents at beginning of year		27,860	17,101	27,860	17,101
Exchange differences on translation		(11)	(274)	(11)	(274)
<b>Cash and cash equivalents at end of year</b>	21	<b>26,902</b>	<b>27,860</b>	<b>22,226</b>	<b>27,860</b>

# 14. NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

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## 1. LEGAL STATUS AND ACTIVITIES

AssetCo Plc (“AssetCo” or the “Company”) is a public limited company limited by shares, and 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 Company operates from an administrative office in the UK as well as a site in UAE. In February 2021 the Company announced its intention to change strategy to focus on developing an asset and wealth management business. Following the successful re-admission of the AssetCo's shares to AIM in April 2021 the Company has acquired two subsidiaries involved in these activities. Accordingly these are the first set of consolidated financial statements for AssetCo plc since the change in strategy.

AssetCo shares are listed on the Alternative Investment Market (“AIM”) of the London Stock Exchange.

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

These financial statements were authorised for issue by the board of directors on 18 February 2022.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements, which have been applied consistently with those applied in the previous year, are set out below.

### 2.1 BASIS OF PREPARATION

The financial statements comply with AIM Rules and have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 (“IFRS”) and the applicable legal requirements of the Companies Act 2006. The financial statements are prepared using the historical cost convention modified by revaluation of financial assets and financial liabilities held at fair value through profit and loss. The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 30 September 2021.

### CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenue and expenses during the year. The nature of estimation means the actual outcomes may differ from the estimates. Further details on the critical accounting estimates used and judgements made in preparing these financial statements can be found in note 4.

### NEW AND AMENDED STANDARDS ADOPTED BY THE COMPANY

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 October 2020:

- Definition of a Business – Amendments to IFRS 3; and,
- Revised Conceptual Framework for Financial Reporting.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

### NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Certain new accounting standards and interpretations have been published that are not mandatory for 30 September 2021 reporting periods and have not been early adopted by the company. These standards are not expected to have a material impact on the entity in the current or future reporting periods an on foreseeable future transactions.

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### GOING CONCERN

The directors have considered the going concern assumption of the company, AssetCo plc, by assessing the operational and funding requirements of the Group.

As set out in the Chairman's statement the board has decided to pursue a new strategy of developing an asset and wealth management business. The successful conclusion of the claim against Grant Thornton has generated cash resources and freed up management time which, together with the appointment of two new directors with considerable experience of asset and wealth management, means the company is well placed to make success of this.

The directors have prepared financial projections along with sensitivity analyses of reasonably plausible alternative outcomes. The forecasts demonstrate that the directors have a reasonable expectation that the existing Group has adequate financial resources to continue in operational existence for the foreseeable future.

On 25 January 2022 the Company announced a formal bid to acquire 94.15% of River and Mercantile Asset Management Plc. As a result of its size, the Acquisition constitutes a Reverse Takeover for AssetCo for the purposes of the AIM Rules. In advance of the potential Acquisition, AssetCo will be required to undertake a re-admission process and to publish a re-admission document and to seek the approval of AssetCo Shareholders for the Acquisition at the AssetCo General Meeting. The Acquisition will also be conditional on the approval of AssetCo Shareholders to the granting of authorities necessary for the issuance of the New AssetCo Shares, such authorities to be put to the AssetCo Shareholders at the AssetCo General Meeting.

### 2.2 PRINCIPLES OF CONSOLIDATION AND EQUITY ACCOUNTING

#### SUBSIDIARIES

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group (note 18).

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated, unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

#### CHANGES IN OWNERSHIP INTERESTS

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of AssetCo plc.

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### 2.3 REVENUE RECOGNITION

IFRS 15 specifies the requirements that an entity must apply in order to measure and recognise revenue and its related cash flows. The core principle of the standard is that an entity should recognise revenue at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring promised goods or services to a customer.

The standard includes a five-step model for recognising revenue as follows: Identifying the contract with the customer; identifying the relevant performance obligations of the contract; determining the amount of consideration to be received under the contract; allocating the consideration to the relevant performance obligation; and accounting for the revenue as the performance obligations are satisfied.

The Group's primary source of income is made up as follows:

#### MANAGEMENT FEES

Gross management fees from investment management activities. These fees are generally based on an agreed percentage, as per the management contract, of the AuM and are recognised in the same period in which it is provided. Under the requirements of IFRS 15 revenue is presented gross with rebates and commission presented in cost of sales.

Commission includes fees based on a set percentage of certain flows into our funds and are recognised on receipt.

#### MARKETING FEES

Fees from marketing thematic ETFs. These marketing fees are generally based on an agreed percentage, as per the contract, of the AuM and are recognised in the same period in which it is provided.

For all revenue streams, the Group acts as principal and therefore recognises revenue gross with any related expenses presented in cost of sales.

The Group currently has two segments, Active Specialists and High-growth Thematics. Whilst revenue is generated in both segments with regard to AuM in the Active Specialists segment the assets are managed by our business. In High-growth Thematics we do not take part in the management as our focus is on providing clients with access to the funds in particular themed sectors.

### 2.4 FOREIGN CURRENCY TRANSLATION

#### a) Functional and presentation currency

Items included in the financial statements of each of the company's businesses are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in sterling (£), which is the company's functional and presentation currency.

There has been no change in the company's functional or presentation currency during the year under review.

#### b) Foreign operations translation

The financial statements are prepared in sterling. Income statements of foreign operations are translated into sterling at the average exchange rates for the year and balance sheets are translated into sterling at the exchange rate ruling on the balance sheet date. Foreign exchange gains or losses resulting from such translation are recognised through equity.

#### c) Other transactions and balances

Other foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, other than those held in foreign operations, are recognised in the income statement.

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### 2.5 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors.

### 2.6 PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any replaced parts is derecognised. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Depreciation on assets is calculated using the straight-line method to write down their cost to their residual values over their estimated useful lives as follows:

Fixtures and fittings	3 – 5 years
Computer equipment	5 years

The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within operating profit in the income statement.

### 2.7 INTANGIBLE ASSETS

#### (i) Goodwill

Goodwill is measured as described in note 2.13 Business Combinations. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments (note 5).

#### (ii) Brands

Separately acquired brands are shown at historical cost. Brands acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Amortisation on assets is calculated using the straight-line method to write down their cost to their residual values over their estimated useful lives over 5 – 10 years.

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### (iii) Website development

Costs associated with maintaining software programmes are recognised as an expense as incurred.

Development costs payable to third parties that are directly attributable to the design and testing of new features of websites used by Group companies are capitalised. No internal costs in relation to website development are capitalised

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

Amortisation on website development costs is calculated using the straight-line method to write down their cost to their residual values over their estimated useful lives over a maximum of 10 years.

## 2.8 FINANCIAL INSTRUMENTS

### a) Financial assets

Investments and other financial assets

#### (i) Classification

The group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded either in profit or loss or in OCI.

For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

#### (ii) Recognition and de-recognition

Regular way purchases and sales of financial assets are recognised on trade date being the date on which the group commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

#### (iii) Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

#### *Equity instruments*

The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the de-recognition of the investment. Dividends from such investments continue to be recognised in profit or loss as investment income when the group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in investment income in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

The group has applied the IFRS 9 simplified approach to measuring expected credit losses for trade receivables. Under this approach a provision is made for lifetime expected credit losses for the trade receivable. For calculation of expected credit losses the trade receivables are grouped based on the number of days past due. Expected credit losses on trade receivables that are not past due are primarily based on actual credit losses from recent years.

### Cash held in respect of bonds

Cash held in respect of bonds includes cash on deposit with banks held by them as collateral against performance and warranty bonds.

### Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

### b) Financial liabilities

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the company.

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Financial liabilities are classified as such in the balance sheet.

Finance costs and gains or losses relating to financial liabilities are included in the income statement. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability. Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

### Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Trade payables represent amounts owed to suppliers for professional services, utilities, office supplies and any other goods provided to the Group.

## 2.9 EQUITY

### Issued share capital

Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### Share premium

The share premium account represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.

### Purchase of own shares

Where any group company purchases the company's equity instruments (for example, as the result of a share buy-back), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the owners of AssetCo plc and the shares are cancelled with the relevant amount transferred to a capital redemption reserve.

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### 2.10 DIVIDENDS

Dividends payable are recognised as a liability in the year in which they are authorised. An interim dividend is recognised when it is paid and a final dividend is recognised when it has been approved by shareholders at the annual general meeting.

Dividends receivable are recognised on the date given by the investee company as the ex-dividend date.

### 2.11 EARNINGS PER SHARE

#### (i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares;
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares

#### (ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding, assuming the conversion of all dilutive potential ordinary shares.

### 2.12 LEASES

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the company under residual value guarantees;
- The exercise price of a purchase option if the company is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

The only leasing activities undertaken by the company are rental of office buildings in UK and UAE, together with leasing of cars for employees in UAE all of which have a lease term of less than 12 months, and therefore the short-term lease exemption has been applied.

### 2.13 BUSINESS COMBINATIONS

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity, on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity; and
- acquisition date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or as a financial liability. Amounts classified as a financial liability are subsequently re-measured to fair value, with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date. Any gains or losses arising from such re-measurement are recognised in profit or loss.

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

### 2.14 INCOME TAXES

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively, that future taxable profit will be available against which the temporary differences can be utilised.

### 2.15 EMPLOYEE BENEFITS

#### Deferred shares

The Group operates a Long term Incentive Plan ("LTIP") which seeks to align the interests of shareholders and senior management by focusing on the increase in market value of the group's shares. The increase in the group's market value as calculated under the agreed formula gives rise to a pool which, in the ordinary course of events, is settled one third in cash within 60 days of the year end, and two thirds in shares over a vesting period of 5 years in equal annual instalments. For the 2021 LTIP pool it has been agreed by the board that the initial one third normally payable in cash will be equity-settled.

The fair value of deferred shares granted to employees for nil consideration under the LTIP is recognised as an expense over the relevant service period, being the year to which the bonus relates and the vesting period of the shares. The fair value is measured at the grant date of the shares and is recognised in equity in the share-based payment reserve. The number of shares expected to vest is estimated based on the non-market vesting conditions. The estimates are revised at the end of each reporting period, and adjustments are recognised in profit or loss and the share-based payment reserve. When shares vest employers' national insurance is payable. A liability for the relevant amount of employers' national insurance is recognised within other payables in the period to which the vesting equities relate.

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## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Where shares are forfeited due to a failure by the employee to satisfy the service conditions, any expenses previously recognised in relation to such shares are reversed with effect from the date of the forfeiture.

### Pension contributions – defined contribution scheme

For defined contribution schemes, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid. Contributions to defined contribution schemes are recognised in the income statement during the year in which they become payable.

### Termination benefits

Termination benefits are payable when an employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of acceptance of an offer of voluntary redundancy. Benefits falling due more than twelve months after the balance sheet date are discounted to their present value.

### 2.16 ACCRUED INCOME

Material income earned from, but not yet invoiced to, customers in the financial year is included within prepayments and accrued income where receipt of such income is virtually certain.

### 2.17 DEFERRED INCOME

Deferred income arises when cash from customers is received in advance of the year in which the company is contractually obliged to provide its service. Such income is held within accruals and deferred income and only released to the income statement when the company has met its related obligations.

### 2.18 CONTINGENT LIABILITIES

Contingent liabilities reflect the maximum potential liability on performance and warranty bonds issued in respect of contracted performance obligations and warranties given to customers under contracts for the provision goods and services. Since the year end the company has been released from any liability by its customer.

## 3 FINANCIAL RISK MANAGEMENT

### 3.1 FINANCIAL RISK FACTORS

The risks of the business are measured and monitored continuously by the Board which has in place procedures and policies covering specific areas namely credit, market and liquidity risk. We set out below how we approach each area.

#### a) Credit risk

Credit risk is the risk that a counterparty defaults on their contractual obligations which may result in financial loss to the Group. The carrying amount of financial assets at fair value recorded in the financial statements represents the Group's maximum exposure to credit risk. The Group holds no collateral as security against any financial asset. Credit risk arises principally from the Group's fee receivables, other receivables and cash balances. The banks with whom the Group deposits cash and cash equivalent balances are monitored, including their credit ratings. The credit risk is limited as balances are held with reputable banks with credit ratings of A and above, as disclosed in note 21.

The Group manages its credit risk through monitoring the aging of receivables and the credit quality of the counterparties with which it does business. The aging of these is provided in note 19.

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### 3 FINANCIAL RISK MANAGEMENT CONTINUED

#### b) Market risk

##### Pricing risk

Pricing risk arises where the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices other than those from interest rate risk or currency risk. The Group is at an early stage in its development of an Asset and Wealth Management business and the current exposure to pricing risk is immaterial.

##### Currency risk

The company transacts principally in sterling. The company's exposure to currency risk is detailed in note 23.

In relation to translation risk, the Group's current policy is not to hedge the net asset values of the overseas investments although, where appropriate and cost effective facilities are available, local borrowings are utilised to reduce the translation risk.

##### Cash flow interest rate risk

The Group's policy on managing interest rate risk is subject to regular monitoring of the effect of potential changes in interest rates on its interest cost with a view to taking suitable actions should exposure reach certain levels. The Group may seek to limit its exposure to fluctuating interest rates by keeping a significant proportion of the Group's cash or borrowings at fixed interest rates.

##### Financial assets

The company holds its surplus funds in short-term bank deposits.

##### Financial liabilities

The Group has no material cash flow interest rate risk as it has no financial liabilities that attract interest. Should this situation change then the Group may manage the risk by using floating or fixed interest rate swaps.

##### Other price risk

Other price risks, such as changes in the fair value of financial instruments being caused by movements in equity prices, are monitored regularly. See note 20 for further information.

#### c) Liquidity risk

Prudent liquidity management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group maintains adequate bank balances to fund its operations. See note 23 for analysis of the Group's financial liabilities into relevant maturity groupings based on the remaining period at the year-end date to the contractual maturity date.

**3 FINANCIAL RISK MANAGEMENT** CONTINUED**3.2 CAPITAL RISK MANAGEMENT**

The Group considers its capital to comprise:

	2021 £000	2020 £000
Issued share capital	843	1,221
Share premium account	27,770	–
Capital redemption reserve	653	–
Merger reserve	2,762	–
Share-based payments reserve	5,496	–
Accumulated profits	18,892	31,124
	<b>56,416</b>	<b>32,345</b>
Non-controlling interest	(279)	–
Total equity	<b>56,137</b>	<b>32,345</b>
Cash and cash equivalents	(26,902)	(27,860)
Cash held in respect of bonds	–	(1,058)
	<b>(26,902)</b>	<b>(28,918)</b>
Total capital	<b>29,235</b>	<b>3,427</b>

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group is not subject to externally impaired capital requirements.

The Group owns subsidiary companies which are regulated by the Financial Conduct Authority ("FCA") and these businesses are subject to regulatory capital thresholds. Internal compliance departments in these businesses regularly monitor and report to FCA to ensure they comply with capital thresholds which apply to them.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong.

**a) Estimates**

Acquisition accounting and valuation of goodwill and other intangible assets – Determining the valuation of goodwill and intangible assets arising from a business combination under IFRS 3 contains elements of judgement. Having considered the guidance under the relevant accounting standards and all aspects of the acquisition of Saracen and Rize ETF, the Directors have concluded that this was an acquisition of a business and the assets acquired have been recognised within the Group Consolidated Financial Statements in accordance with IFRS 3. Refer to note 18 Business Combinations.

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#### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS CONTINUED

Impairment of goodwill and other intangible assets and recoverability of Parent Company investment in subsidiaries – The recognition of goodwill and other intangible assets arising on acquisitions and the impairment assessments contain significant accounting estimates. Goodwill is carried at cost less provision for impairment, the carrying value is tested annually for impairment, or more frequently if any indicators arise. Other intangible assets are amortised over their useful economic life and are assessed for impairment when there is an indication that the asset might be impaired. The impairment test of goodwill and other intangible assets includes key assumptions underlying the recoverable amounts, the growth rates applied to the future cash flows and the Group's discount rate. Note 15 sets out the estimates used and the sensitivity changes in the key assumptions.

Estimation of current tax payable and current tax expense in relation to an uncertain tax position – The group's current tax provision of £1.442 million relates to management's assessment of the amount of tax payable on open positions where the liabilities remain to be agreed with relevant tax authorities. Uncertain tax items for which a provision of £1.437 million is made relates principally to the interpretation applicable to arrangements entered into by the Group. Due to uncertainty associated with such tax items, it is possible that, on conclusion of open tax matters at a future date, the final outcome may differ significantly. Note 13 sets out the income tax charge recognised in the year.

Whilst a range of outcomes is possible, the extent of the maximum reasonable possible range is from additional tax liabilities of up to £2 million to a reduction in liabilities of up to £1.437 million.

##### b) Judgements

AssetCo has acquired 68% of the equity of Rize EFT Limited. Whilst the founders of the business have a material stake (which could be increased by 5%age points in the event of a sales "trigger" being met) there is in place a comprehensive shareholder agreement which confers considerable control to the Group via the appointment of Board representation and the way in which key matters have to be agreed including the ability to block resolutions as well as voting patterns and economic dependency. Accordingly we believe it is appropriate to account for Rize as a subsidiary entity.

The board do not consider that any other critical judgements have been made in preparing the financial statements which have a significant risk of causing a material adjustment to be made to the carrying amounts of assets and liabilities within the next financial year.

#### 5. 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 and High-Growth Thematics.

No secondary segmental information has been provided as, in the view of the Directors, whilst there is a presence in UAE it is not material in the context of the Group's new activities following the change in strategy to concentrate on asset and wealth management. 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 operates out of a branch in UAE. Unallocated comprises AssetCo including the UAE business.

**5. SEGMENTAL REPORTING** CONTINUED

## ANALYSIS OF REVENUE AND RESULTS BY COMMERCIAL ACTIVITY

Year ended 30 September 2021	Active specialists £000	High-growth Thematics £000	Unallocated £000	Continuing Operations £000
<b>Revenue</b>				
Management fees	135	-	-	135
Marketing fees	-	273	-	273
Total revenue to external customers	135	273	-	408
<b>Segment result</b>				
Operating profit/(loss)	32	(347)	14,608	14,293
Investment income	-	-	1,844	1,844
Finance costs	-	-	(8)	(8)
Profit/(loss)/profit before tax	32	(347)	16,444	16,129
Income tax	(6)	1	(1,437)	(1,442)
Profit/(loss) for the year	26	(346)	15,007	14,687
<b>Segment assets and liabilities</b>				
Total assets	3,518	21,742	34,335	59,595
Total liabilities	(85)	(471)	(2,902)	(3,458)
Total net assets	3,433	21,271	31,433	56,137
<b>Other segment information</b>				
Depreciation	-	2	-	2
Amortisation	1	7	-	8
Total capital expenditure	3	5	-	8

## 14. NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 5. SEGMENTAL REPORTING CONTINUED

Year ended 30 September 2020 (restated)	Active specialists £000	High-growth Thematics £000	Unallocated £000	Continuing Operations £000
<b>Revenue</b>				
Management fees	–	–	–	–
Marketing fees	–	–	–	–
Total revenue to external customers	–	–	–	–
<b>Segment result</b>				
Operating profit	–	–	3,405	3,405
Investment income	–	–	18	18
Finance costs	–	–	(62)	(62)
Profit before tax	–	–	3,361	3,361
Income tax	–	–	–	–
Profit for the year	–	–	3,361	3,361
<b>Segment assets and liabilities</b>				
Total assets	–	–	33,601	33,601
Total liabilities	–	–	(1,256)	(1,256)
Total net assets	–	–	32,345	32,345
<b>Other segment information</b>				
Total capital expenditure	–	–	–	–

### 6. OTHER INCOME

	2021 £000	2020 £000
Grant Thornton litigation	25,918	4,597
Success fee	(3,530)	–
	<b>22,388</b>	<b>4,597</b>

As referred to in the Chairman's statement the case against Grant Thornton was concluded successfully on 2 October 2020. The total award came to £30.515 million of which £4.597 million was reflected in the 2020 full year financial statements, as it had been awarded by the Courts irrespective of the outcome of any appeal. Other income shown in these financial statements represents the balance of the Court's award, less the success fee of 15% of claim proceeds excluding costs.

**7. OPERATING PROFIT**

Operating profit is stated after charging the following:

	2021 £000	2020 £000
Depreciation of property plant and equipment (note 15)	2	–
Amortisation of intangible assets (note 16)	8	–
Loss on foreign exchange differences	89	23
Fees payable to the company's auditors:		
For the audit of the parent Company and the consolidated financial statements	132	45
Employee benefit expense (note 9)	7,014	425

Leases recognised in income statement

The income statement shows the following amounts relating to leases:

	2021 £000	2020 £000
Expense relating to short-term leases	36	58

**8. DIRECTORS' EMOLUMENTS**

	Salary and fees		Long term incentive plan		Total	
	2021 £000	2020 £000	2021 £000	2020 £000	2021 £000	2020 £000
Director						
Martin Gilbert	63	–	1,649	–	1,712	–
Peter McKellar	75	–	1,374	–	1,449	–
Tudor Davies	70	70	–	–	70	70
Christopher Mills	27	20	–	–	27	20
Mark Butcher	27	20	–	–	27	20
Aggregate fees and emoluments	262	110	3,023	–	3,285	110

Two directors have received awards under the company's LTIP during the financial year 2021. The awards were granted on 28 September 2021 and the relevant shares vest at a time following the year end as determined under the rules and as agreed with the Remuneration Committee. The fair value of this award is calculated for the two directors using the valuation method described in note 30. The fair value has been spread over the assumed vesting period, with a charge of £3,023,000 recognised in 2021 (2020: £nil). The provision for employer social security costs on the award for £228,000 and £190,000 for Martin Gilbert and Peter McKellar respectively, has been accrued over the performance period attached to the award and recognised in liabilities.

As the Company is currently involved in the proposed acquisition of River and Mercantile it has been agreed that the shares will not vest until such a time as is considered appropriate by the Remuneration Committee. Accordingly no shares have been issued at the date of signing of these financial statements.

## 14. NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 8. DIRECTORS' EMOLUMENTS CONTINUED

The ordinary share award for Martin Gilbert is 99,334 shares and for Peter McKellar 82,778. This is determined based on the price agreed under the terms of the scheme, as detailed in note 30. For the end of performance period of 30 September 2021, this was £17.01 per share.

There are no retirement benefits accruing to current directors (2020: none) under a defined benefit or defined contribution scheme. The highest paid director received aggregate emoluments, including the effect of the share-based payments charge, of £1,712,000 (2020: £70,000).

### 9. EMPLOYEE BENEFIT EXPENSE

The monthly average number of persons employed by the Group and Company (including executive directors) was:

	Group 2021 No.	Group 2020 No.	Company 2021 No.	Company 2020 No.
Active specialists	1	–	–	–
High-growth thematics	2	–	–	–
Head office	8	5	8	5
	<b>11</b>	<b>5</b>	<b>8</b>	<b>5</b>

The costs incurred in respect of these employees were:

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Wages and salaries	660	403	450	403
Social security costs	852	8	827	8
Share-based payments	5,496	–	5,496	–
Other pension costs	6	14	–	14
	<b>7,014</b>	<b>425</b>	<b>6,773</b>	<b>425</b>

### EMPLOYEE BENEFIT OBLIGATIONS

The group's subsidiaries both have defined contribution pension schemes in place. The pension contribution charge in 2021 amounted to £6,000 (2020: £14,000).

### 10. INVESTMENT INCOME

	2021 £000	2020 £000
Fair value gains on financial instruments classified as fair value through profit and loss account	1,650	–
Dividend income	194	–
Interest income	–	18
	<b>1,844</b>	<b>18</b>

**11. FINANCE COSTS**

	2021 £000	2020 £000
Finance costs on bonds and letters of credit	(8)	(62)

**12. GROUP AND COMPANY DIVIDENDS**

A final dividend for 2021 has not been recommended (2020: £nil).

**13. INCOME TAX EXPENSE**

	2021 £000	2020 £000
<b>Current tax</b>		
Current tax on profits for the year	1,437	–
Total current tax expense	1,437	–
<b>Deferred tax</b>		
Increase in deferred tax assets (note 25)	(307)	–
Increase in deferred tax liabilities (note 25)	312	–
Total deferred tax expense	5	–
Income tax expense	1,442	–

The tax on the group's profit before tax differs from the theoretical amount that would arise using the standard tax rate applicable to the profits of the consolidated entities as follows:

	2021 £000	2020 £000
Profit before tax	16,129	3,361
Tax at a standard rate of 19% (2020: 19%)	3,064	639
Factors affecting tax charge for the year:		
Expenses not deductible for tax	805	–
Income not taxable for tax purposes	(105)	–
Losses not allowable	–	36
Tax losses used	(2,393)	(675)
Tax losses generated	71	–
	1,442	–

A change to the main UK corporation tax rate was included in the Finance Bill 2021, which had its third reading on 24 May 2021, and is now considered substantively enacted. The rate applicable from 1 April 2020 to 31 March 2023 remains at 19% but the rate from 1 April 2023 will increase to 25%. Deferred taxes at the reporting date have been measured using these enacted tax rates and reflected in these financial statements.

## 14. NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 14. EARNINGS/(LOSS) PER SHARE

#### (a) Basic

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

	2021	2020
Profit attributable to owners of the parent – £000	14,796	3,361
Weighted average number of ordinary shares in issue – no.	8,194,031	12,211,163
Basic earnings per share – pence	180.57	27.52

#### (b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of Ordinary Shares in issue 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.

	2021	2020
Profit attributable to owners of the parent – £000	14,796	3,361
Weighted average number of ordinary shares in issue – no.	9,187,346	12,211,163
Basic earnings per share – pence	161.05	27.52

	2021 No.	2020 No.
Weighted average number of ordinary shares in issue	8,194,031	12,211,163
Adjustment for:		
– assumed vesting of all ordinary shares in LTIP pool	993,315	–
Weighted average number of ordinary shares including potentially dilutive shares	9,187,346	12,211,163

**15. PROPERTY, PLANT AND EQUIPMENT**

Group	Fixtures and fittings £000	Computer equipment £000	Total £000
<b>Cost</b>			
At 1 October 2019 and 30 September 2020	26	–	26
Acquisition of subsidiary	8	32	40
Additions	–	8	8
At 30 September 2021	34	40	74
<b>Accumulated depreciation</b>			
At 1 October 2019 and 30 September 2020	26	–	26
Acquisition of subsidiary	8	22	30
Charge for the year	–	2	2
At 30 September 2021	34	24	58
<b>Net book value at 30 September 2021</b>	–	16	16
<b>Net book value at 30 September 2020</b>	–	–	–

Company	Fixtures and fittings £000	Total £000
<b>Cost</b>		
At 1 October 2019 and 30 September 2020	26	26
Disposals	–	–
At 30 September 2021	26	26
<b>Accumulated depreciation</b>		
At 1 October 2019 and 30 September 2020	26	26
Disposals	–	–
At 30 September 2021	26	26
<b>Net book value at 30 September 2021</b>	–	–
<b>Net book value at 30 September 2020</b>	–	–

**SECURITY**

As at 30 September 2021 neither the group nor the company provided no security in respect of property, plant and equipment (2020: £nil).

## 14. NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 16. INTANGIBLE ASSETS

Group	Goodwill £000	Brand £000	Website development £000	Total £000
<b>Cost</b>				
Acquisition of business	19,787	200	99	20,086
Additions	–	–	1	1
At 30 September 2021	19,787	200	100	20,087
<b>Accumulated amortisation</b>				
Acquisition of business	–	–	12	12
Charge for the year	–	6	2	8
At 30 September 2021	–	6	14	20
<b>Net book value at 30 September 2021</b>	<b>19,787</b>	<b>194</b>	<b>86</b>	<b>20,067</b>
<b>Net book value at 30 September 2020</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

Goodwill is allocated to the Group's cash-generating units (CGU's) identified according to market operating segment. An operating segment-level summary of the goodwill allocation is presented below:

	2021 £000	2020 £000
Thematic ETFs	16,860	–
Active specialists	2,927	–
Total	19,787	–

#### IMPAIRMENT REVIEW

Goodwill includes £2,927 million (2020: £nil) in respect of Saracen Fund Managers Limited ("Saracen") and £16.860 million (2020: £nil) in respect of Rize ETF Limited ("Rize").

The Directors estimated the recoverable amount of the Saracen goodwill based upon the value in use of the business. The value in use was measured using internal budgets and forecasts to generate a five-year view. The key assumptions used were: revenue based on internally approved three year forecast, and a terminal revenue growth rate of 2% per cent; and a pre-tax discount rate of 15.3% per cent. Estimates were made concerning remuneration and administrative costs, based upon current levels and expected changes.

Sensitivity analysis was performed on the key inputs of the valuation, being the growth and discount rates and future cash flows. A fall of greater than 10% in projected profit margin or a change in the discount rate to a rate in excess of 17.5% is required to indicate impairment.

The Directors estimated the recoverable amount of the Rize ETF goodwill using the value in use of the business. The value in use was measured using internal budgets and forecasts to generate a five-year view. The key assumptions used were: revenue based on internally approved four year forecast, and a terminal revenue growth rate of 2%; and a pre-tax discount rate of 35.0% per cent. Estimates were made concerning remuneration and administrative costs, based upon current levels and expected changes.

Sensitivity analysis was performed on the key inputs of the valuation, being the growth and discount rates and future cash flows. A fall of greater than 1.5% in projected profit margin or a change in the discount rate to a rate in excess of 35.3% is required to indicate impairment.

**17. INVESTMENTS IN SUBSIDIARIES**

Company shares in group undertakings

	2021 £000	2020 £000
At 1 October	–	–
Additions in the year	25,194	–
At 30 September	25,194	–

Investments in Group undertakings are recorded at cost, which is the fair value of the consideration paid, less any impairment. Further detail is included in note 18.

The subsidiaries of AssetCo plc as at 30 September 2021 are as follows:

Name of Company	Note	Proportion held	Class of shareholding	Nature of business
Saracen Fund Managers Limited	1	100%	Ordinary	Investment management
Rize ETF Limited	2	68%*	Ordinary	Marketing of thematic exchange traded funds
AAMCO Limited**	3	100%	Ordinary	Dormant
AssetCo Asset Management Limited**	3	100%	Ordinary	Dormant
AssetCo Asset Managers Limited**	3	100%	Ordinary	Dormant
AssetCo Investment Management Limited**	3	100%	Ordinary	Dormant

Notes:

- Incorporated, registered and having its principal place of business in the United Kingdom with its registered office being 2nd Floor, 19 Rutland Square, Edinburgh EH1 2BB.
- Incorporated, registered and having its principal place of business in the United Kingdom with its registered office being 2 Glass Wharf, Bristol BS2 0FR
- Incorporated, registered and having their principal places of business in the United Kingdom with their registered office being Singleton Court Business Park, Wonastow Road, Monmouth, NP25 5JA

\* Rize ETF Limited is subject to a “trigger” based on sales targets which grants founders/management an additional 5% of the ordinary shares. Whilst we believe the sales target is likely to be met the Group’s recognises its holding in Rize ETF Limited as 68%. The voting rights held by the Group amount to 70%.

Immediately upon acquisition in July 2021 the Company invested £5.25 million in new preference shares in Rize of which £1 million was used to repay a loan to the former majority shareholder with the remainder used to provide working capital funding to take Rize to profitability and a cashflow positive position.

\*\* All subsidiaries are exempt from preparing individual financial statements by virtue of section 394 of the Companies Act 2006 and exempt from filing with the Registrar individual financial statements by virtue of section 448a of the Companies Act 2006.

All subsidiary undertakings are included in the consolidation.

**18. BUSINESS COMBINATION****(a) Summary of acquisitions**

On 14 May 2021 AssetCo plc announced the conditional acquisition of 100% of the ordinary shares of Saracen Fund Managers Limited ("Saracen"), an investment management company based in Edinburgh. The transaction subsequently completed on 30 July 2021.

On 22 July 2021 AssetCo plc announced that it had reached agreement to purchase 68% of the ordinary shares of Rize ETF Limited ("RIZE"), a company which develops and markets thematic exchange-traded funds ("ETFs"). This transaction completed on 28 July 2021.

Details of the purchase consideration, net assets acquired and goodwill are as follows:

	Total £000	Saracen £000	Rize £000
Cash paid	17,165	665	16,500
Ordinary shares issued	2,779	2,779	–
Total consideration	19,944	3,444	16,500

The fair value of the 166,904 shares issued as part of the consideration paid for Saracen (£2,779,000) was based on the published share price on 30 July 2021 of £16.65 per share. Issue costs attributable to the shares were negligible and expensed to profit and loss account.

The fair value of assets and liabilities recognised as a result of the acquisition are as follows:

	Total £000	Saracen £000	Rize £000
Cash	705	418	287
Trade receivables	116	74	42
Other receivables	170	29	141
Plant and equipment	10	1	9
Corporation tax asset	3	3	–
Intangible assets: brand	200	50	150
Intangible assets: website development	87	–	87
Trade payables	(131)	(38)	(93)
Other payables	(129)	(14)	(115)
Deferred tax liability	(44)	(6)	(38)
Loan to former shareholder	(1,000)	–	(1,000)
Net identifiable assets/(liabilities) acquired	(13)	517	(530)
Less: non-controlling interest	170	–	170
	157	517	(360)
Add: goodwill	19,787	2,927	16,860
Net assets acquired	19,944	3,444	16,500

The goodwill is attributable to the significant growth prospects of Rize ETF and intangible assets that do not qualify for separate recognition.

**18. BUSINESS COMBINATION** CONTINUED*Acquired receivables*

The fair value of acquired trade receivables is £116,000 and no loss allowance has been recognised on acquisition.

*Acquired brands*

The brands are recognised on acquisition at their fair values at the date of acquisition and subsequently amortised on a straight line basis, over their estimated useful lives.

*Revenue and profit contribution*

The acquired businesses contributed revenues of £408,000 and operating losses of £315,000 from the date of acquisition to 30 September 2021. If the acquisition had occurred on 1 October 2020 consolidated proforma revenue and loss for the year ended 30 September 2021 would have been £1,922,000 and £1,664,000 respectively.

*Merger relief*

Where a company issues equity shares in consideration for securing a holding of at least 90% of the nominal value of each class of equity in another company, the application of merger relief is compulsory. Merger relief is a statutory relief from recognising any share premium on shares issued. Instead, a merger reserve is recorded equal to the value of share premium which would have been recorded if the provisions of section 612 of the Companies Act 2006 had not been applicable. As the consideration for the acquisition of Saracen met this criterion merger relief has been applied (see note 24).

*Accounting policy choice for non-controlling interests*

The group recognises non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. For the non-controlling interests in Rize ETF Limited, the group elected to recognise the non-controlling interests at the proportionate basis of the acquired net identifiable assets. See note 2.13 for the group's accounting policies for business combinations.

**(b) Purchase consideration – cash outflow**

Outflow of cash to acquire subsidiaries, net of cash acquired

	2021 £000	2020 £000
Cash consideration	17,165	–
Less: balances acquired	(705)	–
Net outflow of cash – investing activities	16,460	–

*Acquisition-related costs*

Acquisition-related costs of £277,000 (2020:nil) that were not directly attributable to the issue of shares are included in operating costs in the statement of profit or loss and in operating cash flows in the statement of cash flows.

## 14. NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 19. TRADE AND OTHER RECEIVABLES

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Trade receivables	216	–	–	–
Other receivables	144	4,640	35	4,640
Prepayments and accrued income	247	43	73	43
	<b>607</b>	<b>4,683</b>	<b>108</b>	<b>4,683</b>

Due to their short-term nature, the carrying value of trade and other receivables approximates to their fair value. Trade and other receivables, including accrued income, held in UAE dirhams amounted to £0.02 million (2020: £0.03 million)

Other receivables in 2020 included £4.6 million in costs plus associated interest, which was ordered by the Court to be paid by Grant Thornton to the Company. See also Note 6.

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables and accrued income. The company does not hold any collateral as security.

As of 30 September 2021, trade and other receivables of £nil (2020: £nil) were impaired, and all receivables were aged less than 30 days. The amount of the provision was £nil (2020: £nil). No trade receivables were written off during the year (2020: £nil).

### 20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
UK listed shares	12,000	–	12,000	–
	<b>12,000</b>	<b>–</b>	<b>12,000</b>	<b>–</b>

In January and February 2021 the group purchased 5,000,000 ordinary shares in River and Mercantile Group Plc representing 5.85% of the shares in issue. The share price at 30 September 2021 was £2.40 per share. As discussed in the Chairman's statement and elsewhere since the year end the Company has made a recommended offer for River and Mercantile Group plc and at the time of signing of these financial statements the outcome of the offer is not known.

#### (a) Amounts recognised in profit or loss

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Fair value gains on equity investments	1,650	–	1,650	–
Dividends received recognised in investment income	194	–	194	–

#### (b) Risk exposure and fair value measurement

The financial instruments are exposed to equity market price risk. Fair value for the investments were determined by reference to their published price quotation in an active market (classified as level 1 in the fair value hierarchy under IFRS 13). The Group and Company did not have any level 2 or level 3 classified financial assets as at 30 September 2021.

**21. CASH AND CASH EQUIVALENTS**

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Cash at bank and in hand	26,902	27,860	22,226	27,860
Cash and cash equivalents	26,902	27,860	22,226	27,860
<b>Cash and cash equivalents</b>				
UK sterling	26,866	26,441	22,190	26,441
UAE dirhams	36	1,419	36	1,419
	<b>26,902</b>	<b>27,860</b>	<b>22,226</b>	<b>27,860</b>

Cash and cash equivalents receive interest at the floating rate and are carried on the balance sheet at a value approximate to their fair values. Balances are held with reputable banks with credit ratings of A and above.

In addition to the above, UAE dirhams amounting to nil (2020: £1.1 million) were held on deposit as security in respect of outstanding performance and warranty bonds.

**22. TRADE AND OTHER PAYABLES**

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Trade payables	300	102	104	102
Other payables	33	2	2	2
Other taxation and social security	62	3	45	3
Accruals	1,577	1,149	1,315	1,149
	<b>1,972</b>	<b>1,256</b>	<b>1,466</b>	<b>1,256</b>

Due to their short-term nature, the carrying value of trade and other payables approximates to their fair value. Trade and other payables held in UAE dirhams amounted to £0.3 million (2020: £1.1 million).

## 14. NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 23. FINANCIAL ASSETS AND LIABILITIES

The following tables illustrate the categorisation and carrying value of financial assets and liabilities as at 30 September 2021. Credit risk is also discussed in note 3.1 (a).

#### FINANCIAL ASSETS

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Trade receivables	216	–	–	–
Other receivables	144	4,640	35	4,640
Cash and cash equivalents	26,902	27,860	22,226	27,860
Cash held in respect of bonds	–	1,058	–	1,058
Financial assets at amortised cost	27,262	33,558	22,261	33,558
Financial assets at fair value through profit and loss	12,000	–	12,000	–
	<b>39,262</b>	<b>33,558</b>	<b>34,261</b>	<b>33,558</b>

#### FINANCIAL LIABILITIES

##### Liabilities at amortised cost

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Trade and other payables	1,910	1,253	1,421	1,253

##### Maturity analysis of financial liabilities

The following disclosures show the maturity profile of contractual undiscounted cash flows of financial liabilities, excluding deferred income, as at 30 September 2021:

	Trade payables £000	Other payables and accruals £000	Total £000
<b>2021</b>			
In one year or less	300	1,610	1,910
<b>2020</b>			
In one year or less	102	1,151	1,253

**23. FINANCIAL ASSETS AND LIABILITIES** CONTINUED**CURRENCY RISK**

The company has used a sensitivity technique that measures the estimated change to the fair value of the company's financial instruments of a 10% strengthening in sterling against all other currencies from the closing rates as at 30 September 2021, with all other variables remaining constant. A 10% variation would have had an impact on the balance sheet of £1,000. Of this charge, £1,000 would be taken to the income statement.

	UK sterling £000	UAE dirhams £000	Total £000	10% £000
<b>2021</b>				
Financial assets	39,209	53	39,262	(1)
Financial liabilities	(1,610)	(300)	(1,910)	9
	<b>37,599</b>	<b>(247)</b>	<b>37,352</b>	<b>8</b>
<b>2020</b>				
Financial assets	31,051	2,507	33,558	(228)
Financial liabilities	(189)	(1,064)	(1,253)	97
	<b>30,862</b>	<b>1,443</b>	<b>32,305</b>	<b>(131)</b>

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless the analysis above is considered to be materially representative of the company's exposure to currency risk during the year.

**24. EQUITY****(a) Share capital and share premium**

	2021 Shares	2020 Shares	2021 £000	2020 £000
Ordinary shares of 10p each				
Fully paid	<b>8,424,847</b>	12,211,163	<b>28,613</b>	1,221

The ordinary shares entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held.

## 14. NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 24. EQUITY CONTINUED

#### (i) Movement in ordinary shares

	Number of shares	Par value £000	Share premium £000	Total £000
Opening balance at 1 October 2019	12,211,163	1,221	64,941	66,162
Capital reduction – note (i)	–	–	(64,941)	(64,941)
Balance at 30 September 2020	12,211,163	1,221	–	1,221
Success fee settled in ordinary shares (ii)	854,722	85	3,445	3,530
Share buy-back (iii)	(6,532,942)	(653)	–	(653)
Placing (iv)	1,725,000	173	24,840	25,013
Consideration shares re: Saracen (v)	166,904	17	–	17
	8,424,847	843	28,285	29,128
Less: transaction costs arising on shares issues	–	–	(515)	(515)
Balance at 30 September 2021	8,424,847	843	27,770	28,613

#### (ii) Movement in deferred shares

	Number of shares	Par value £000	Share premium £000	Total £000
Opening balance at 1 October 2019	91,214,165	24,253	–	24,253
Capital reduction – note (i)	(91,214,165)	(24,253)	–	(24,253)
Balance at 30 September 2020 and 2021	–	–	–	–

#### Notes:

##### (i) Capital reduction

In a circular to shareholders dated 10 June 2020 it was proposed that the company be allowed to reduce its capital by cancelling all outstanding deferred shares of 24p and 495p together with the balance standing to the credit of the share premium account. This Resolution was duly approved at a general meeting of shareholders on 10 July 2020 and confirmed at a Court hearing on 4 August 2020.

##### (ii) Success fee

Following the successful conclusion of the litigation against the Company's former auditors, Grant Thornton, in October 2020 a fee became payable to Cadoc Limited which was settled entirely in ordinary shares in December 2020 at an issue price of £4.13 per share.

##### (iii) Share buy-back

Also arising out of the successful litigation the Company returned approximately £26.9 million to shareholders in a tender offer. A circular was sent to shareholders on 2 December 2020 and the resolution was approved at a general meeting on 17 December 2020. The tender was over-subscribed and the full 50% of shares offered were bought-back and cancelled amounting to 6,532,942 ordinary shares. The buy-back was completed without reference to published financial statements but the Board carefully considered the material effects of the receipt of cash from the Grant Thornton claim and satisfied themselves on the basis of up-to-date management accounts and careful consideration of amounts available in the company's bank accounts.

The total cost of £27.021 million (including £171,000 of transactions costs) were deducted from equity. A transfer of £653,000 was made from retained earnings to capital redemption reserve.

**24. EQUITY** CONTINUED

## iv) Placing

In July 2021 the Company raised £25,012,500 via a placing of 1,725,000 new ordinary shares at £14.50 per share to fund the acquisition of Rize ETF Limited

## (v) Consideration re: Saracen Fund Managers

On 30 July 2021 the Company completed the acquisition of Saracen Fund Managers Limited which was settled in part by the issue to certain vendors of 166,904 new ordinary share. Under section 612 of the Companies Act 2006 the excess over the par value of these shares is accounted for as a Merger Reserve rather than as share premium.

**(b) Other reserves**

	Capital redemption reserve £000	Merger reserve £000	Other reserve £000	Total £000
Opening balance at 1 October 2019 and 2020	–	–	–	–
Arising on buy-back of shares	653	–	–	653
Arising on acquisition of Saracen	–	2,762	–	2,762
Share-based payments in relation to LTIP (see note 30)	–	–	5,496	5,496
Balance at 30 September 2021	653	2,762	5,496	8,911

As referred to in note 24 (a) the Company bought back and cancelled 6,532,942 ordinary shares in December 2020. These shares have been credited to the Capital Redemption Reserve in the amount of £653,000.

Also as referred to in note 24 (a) a Merger Reserve arose on the issue of shares to vendors of Saracen Fund Managers Limited rather than share premium.

The Company has in place a Long Term Incentive Plan ("LTIP"). The charge for the year amounted to £6,273,000 including the related employers' national insurance cost. The amount due to the participants in the scheme for 2021 will be entirely equity-settled and this reserve represents the cost of meeting that obligation (see note 30).

**(c) Retained earnings**

	2021 £000	2020 £000
Opening balance at 1 October	31,124	(60,560)
Net profit for period	14,796	3,361
Capital reduction – see (i) above	–	89,194
Share buy-back – see (iii) above	(26,850)	–
Costs associated with the buy-back	(171)	–
Exchange movement	(7)	(871)
Balance at 30 September	18,892	31,124

## 14. NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 25. DEFERRED TAXATION

The balance comprised temporary differences attributable to:

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
<b>Deferred tax liability</b>				
Financial assets at fair value through profit and loss	313	–	313	–
Intangible assets	49	–	–	–
Deferred tax liability	362	–	313	–
Less:				
Set-off of deferred tax liabilities pursuant to set-off provisions	(313)	–	(313)	–
Net deferred tax liability	49	–	–	–

<b>Deferred tax movements</b>	Financial assets at fair value through profit and loss £000	Intangible assets £000	Total £000
<b>Group</b>			
At 1 October 2019 and 30 September 2020	–	–	–
Acquisition of subsidiary	–	50	50
Credited/(charged) to profit and loss	313	(1)	312
Set-off of deferred tax liabilities pursuant to set-off provisions	(313)	–	(313)
At 30 September 2021	–	49	49

The balance comprised temporary differences attributable to:

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
<b>Deferred tax assets</b>				
Share-based payments	1,044	–	1,044	–
Less: amounts not recognised	(731)	–	(731)	–
Deferred tax liability	313	–	313	–
Less:				
Set-off of deferred tax liabilities pursuant to set-off provisions	(313)	–	(313)	–
Net deferred tax asset	–	–	–	–

**25. DEFERRED TAXATION** CONTINUED

Group	Losses £000	Share-based payments £000	Total £000
At 1 October 2019 and 30 September 2020	–	–	–
Acquisition of subsidiary	6	–	6
(Credited)/charged to profit and loss	(6)	313	307
Set-off of deferred tax liabilities pursuant to set-off provisions	–	(313)	(313)
At 30 September 2021	–	–	–

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. Where the temporary differences relate to losses, the availability of the losses to offset against future profitability is also considered. The directors consider that there is no basis on which to recognise deferred tax assets at 30 September 2021 or 30 September 2020. The unrecognised asset in respect of tax losses at 30 September 2021 amounts to £1.28 million (2020:£2.6 million).

Tax losses	2021 £000	2020 £000
Unused tax losses for which no deferred tax benefit has been recognised	5,118	13,911
Potential tax benefit at 25% (2020: 19%)	1,280	2,643

The unused tax losses were incurred by AssetCo plc and Rize ETF Limited.

Unrecognised temporary differences	2021 £000	2020 £000
Temporary differences for which no deferred tax benefit has been recognised	3,874	–
Potential tax benefit at 19% (2020: 19%)	731	–

Temporary differences of £731,000 have arisen as a result of the long-term incentive plan however a deferred tax asset has been recognised only to the extent that there are sufficient deferred tax liabilities that can be offset by the deferred tax asset.

**26. FUTURE CAPITAL COMMITMENTS**

There were no capital commitments contracted for but not provided in these financial statements at 30 September 2021 (2020: £nil).

## 14. NOTES TO THE FINANCIAL STATEMENTS CONTINUED

### 27. RECONCILIATION OF PROFIT BEFORE TAX TO NET CASH INFLOW FROM OPERATIONS

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
<b>Profit for the year before taxation</b>	<b>16,129</b>	<b>3,361</b>	<b>16,444</b>	<b>3,361</b>
Share-based payments				
– in respect of LTIP	5,496	–	5,496	–
– Success fee	3,530	–	3,530	–
Increase in investments	(12,000)	–	(12,000)	–
Depreciation	2	–	–	–
Amortisation	8	–	–	–
Finance costs (note 11)	8	62	8	62
Investment income (note 10)	(194)	(18)	(194)	(18)
Decrease in receivables	4,367	6,024	4,578	6,024
(Decrease)/increase in payables	(591)	(622)	163	(622)
<b>Cash inflow from operations</b>	<b>16,755</b>	<b>8,807</b>	<b>18,025</b>	<b>8,807</b>

### 28. CONTINGENT LIABILITIES

	Approximate maximum potential liability			
	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Performance bond related to a UAE released in full in January 2021	–	1,058	–	1,058

### 29. RELATED PARTY TRANSACTIONS

Related parties comprise the company's shareholders, subsidiaries, associated companies, joint ventures and other entities over which the shareholders of the company have the ability to control or exercise significant influence over financial and operating decisions and key management personnel.

During the year, the company entered into the following significant transactions with related parties at prices and on terms agreed between the related parties:

#### KEY MANAGEMENT COMPENSATION

	2021 £000	2020 £000
Salaries, fees and other employee benefits	262	110
Share-based payments	3,023	–
	<b>3,285</b>	<b>110</b>

Key management includes the directors of the Company only.

Further details on directors' emoluments can be found in note 8.

## 29. RELATED PARTY TRANSACTIONS CONTINUED

Tudor Davies was appointed Executive Chairman on 23 March 2011 and became a non-executive director on 15 April 2021 with the confirmation of the appointment of Martin Gilbert as chairman.

Consultancy services were provided by Cadoc Limited, a company associated with Tudor Davies, to AssetCo during the year at a cost of £91,000 (2020: £83,000), including at the balance sheet date an accrual of £nil (2020: £42,000). On conclusion of the court action against Grant Thornton, Cadoc Limited was entitled to a success fee of 15% of the funds realised from the litigation. The fee was settled by the issue of shares with a value of £3,530,000.

Toscafund Asset Management LLP has an agreement with AssetCo plc under which the Company acts as Appointed Representative for regulatory purposes. Toscafund charges a monthly fee for this service and the amount charged in these financial statements is £30,000.

In December 2020 the Company completed a buy-back of 50% of the ordinary shares in issue at a cost of £26.8 million. Included in the buy-back were shares controlled by members of the board. 2,952,890 shares were purchased from Harwood Capital LLP, a company owned and controlled by Christopher Mills at a price of £4.11 per share amounting to £12.136 million. In addition to this shares 427,361 shares were purchased from Cadoc Limited, a company controlled by Tudor Davies' family, as well as 16,306 shares held in Harwood Capital LLP, at a price of £4.11 per share amounting to £1.823 million.

In July 2021 the Company undertook a placing of 1,725,000 ordinary shares at £14.50 per share raising a total before costs of £25.013 million. Related parties who participated in the placing were Harwood Capital LLP (200,000 shares), Martin Gilbert (70,000 shares), Peter McKellar (34,483 shares) and Mark Butcher (6,896 shares). The amounts subscribed by each party respectively were Harwood Capital LLP £2.9 million, Martin Gilbert £1.015 million, Peter McKellar £500,000 and Mark Butcher £100,000.

As set out in note 20 the Company has purchased 5,000,000 shares in River and Mercantile Group Plc. AssetCo plc's chairman Martin Gilbert is also deputy chairman of River and Mercantile.

Immediately upon acquisition in July 2021 the Company invested £5.25 million in new preference shares in Rize of which £1 million was used to repay a loan to the former majority shareholder with the remainder used to provide working capital funding to take Rize to profitability and a cashflow positive position.

Details of the Directors' shareholdings in the Company can be found in the Directors' Report.

## 30. DEFERRED SHARES – LONG TERM INCENTIVE PLAN

During the year the Group implemented a Long term Incentive Plan ("LTIP") which seeks to align the interests of shareholders and senior management by focusing on the increase in market value of the group's shares. The arrangement is such that participants receive a share of a pool value equivalent to 20% of the total growth in market capitalisation for the performance period, calculated under the agreed formula. In the ordinary course of events, the award is settled one third in cash within 60 days of the year end, and two thirds in shares over a vesting period of 5 years in equal annual instalments. They automatically convert into one ordinary share each on vesting, at an exercise price of nil. The executives do not receive any dividends and are not entitled to vote in relation to the deferred shares during the vesting period. If an executive ceases to be employed by the group within this period, the rights will be forfeited, except in limited circumstances that are approved by the board on a case-by-case basis.

For the LTIP award in respect of 2021 it has been agreed that the 1/3rd element of the annual LTIP normally paid in cash would now be equity-settled in order to fully align the interests of shareholders and the executives. The 2021 awards were granted on 28 September 2021 and has a performance period end of 30 September 2021.

The fair value of deferred shares granted to employees for nil consideration under the LTIP is recognised as an expense over the relevant service period, being the year to which the bonus relates and the vesting period of the shares. The fair value is measured at the grant date of the shares and is recognised in equity in the share-based payment reserve.

## 14. NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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### 30. DEFERRED SHARES – LONG TERM INCENTIVE PLAN CONTINUED

We engage with external experts to undertake the valuation of the awards. The performance condition for the equity-settled LTIP is a market-based performance condition. As the grant date was 2 days before the end of the first performance period, the fair value of the LTIP awards were calculated by determining the Company's volume weighted average share price ("VWAP") for 18 out of the 20 dealing days required to determine the Award value. In this case, we consider the 18 day average VWAP up to the grant date, plus the grant date share price as an estimate of the final 2 days, to represent a fair estimate for IFRS2 purposes. The fair value of the rights at grant date was calculated as £16.72 per share.

The number of shares expected to vest is estimated based on the non-market vesting conditions. The estimates are revised at the end of each reporting period, and adjustments are recognised in profit or loss and the share-based payment reserve. The group recognises a charge of £5,496,000 (2020: £nil) in the Consolidated Income Statement in respect of the equity-settled LTIP.

The total number of shares to be issued under the 2021 LTIP based on the actual award value calculated under the agreed formula at the end of the performance period (£17.01 per share) is 993,315 of which 331,110 are due to vest shortly after the signing of these financial statements.

There were no deferred shares at the beginning of the reporting period, and those granted under the 2021 LTIP remained outstanding as at 30 September 2021. The weighted average remaining contractual life of the deferred shares outstanding at the end of the period is 2.01 years.

When shares vest employers' national insurance is payable. A liability for the relevant amount of employers' national insurance is recognised within liabilities in the period to which the vesting equities relate. An accrual for £777,000 (2020: £nil) has been recognised in liabilities in respect of the 2021 LTIP.

#### NET SETTLEMENT FEATURE FOR WITHHOLDING TAX OBLIGATIONS

Under UK tax law, AssetCo plc must withhold an amount for an employee's tax obligation associated with a share-based payment and transfer that amount in cash to the tax authority on the employee's behalf. The deferred shares granted under the group's LTIP scheme include a net settlement feature under which the Company withholds shares in order to settle the employee's tax obligations.

### 31. POST BALANCE SHEET EVENTS

On 1 October 2021 the Company announced the acquisition of a 30% stake in Parmenion Capital Partners LLP for a purchase price of £21.9 million.

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 which, as at the date of the 2.7 announcement, corresponded to a total consideration of approximately £99 million.

There are no other post balance sheet events.

# 15. NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of AssetCo plc (the “**Company**”) will be held at 4 More London, Riverside, London SE1 2AU at 11 a.m. on Wednesday 13 April 2022. The Annual General Meeting is being held to consider and vote on the Resolutions below. Resolutions 1 to 10 will be proposed as ordinary resolutions and Resolutions 11 and 12 will be proposed as special resolutions. Voting on all Resolutions will be conducted by way of a poll vote rather than on a show of hands.

Please read carefully the notes (the “**Notes**”) to this notice of Annual General Meeting (“**Notice**”). The Notes include guidance as to the attendance at the Annual General Meeting, how to vote by proxy and gives explanations in respect of the Resolutions to be proposed at the Annual General Meeting.

## ORDINARY RESOLUTIONS

1. To receive the Company’s audited accounts for the 12 month period ended 30 September 2021, together with the Directors’ report, the strategic report and the auditor’s report on those accounts.
2. To re-elect Martin Gilbert as a Director of the Company.
3. To re-elect Peter McKellar as a Director of the Company.
4. To re-elect Campbell Fleming as a Director of the Company.
5. To re-elect Tudor Davies as a Director of the Company.
6. To re-elect Mark Butcher as a Director of the Company.
7. To re-elect Christopher Mills as a Director of the Company.
8. PricewaterhouseCoopers LLP be re-appointed as auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at which the accounts are laid before the Company.
9. The remuneration of PricewaterhouseCoopers LLP as auditors of the Company be determined by the Directors of the Company.
10. THAT the Directors of the Company be and are hereby generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (“**Act**”) to allot ordinary shares in the Company or to grant rights to subscribe for or to convert

any security into ordinary shares in the Company (“**Rights**”) up to an aggregate nominal amount of £421,242 such authority to expire unless sooner revoked or altered by the Company in general meeting on 13 April 2023 or at the conclusion of the next Annual General Meeting of the Company (whichever is the earlier) and provided further that the Company may before the expiry of this authority make an offer or agreement which would nor might require ordinary shares to be allotted or Rights to be granted after the expiry of this authority and the Directors may allot ordinary shares or grant rights in pursuance of any such offer or agreement as if the authority conferred hereby had not expired.

## SPECIAL RESOLUTIONS

11. THAT subject to Resolution 10 above being passed, the Directors of the Company be and they are empowered pursuant to section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) wholly for cash pursuant to the authority conferred by Resolution 10 as if sub-section (1) of section 561 of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:
  - (a) in connection with an offer of such securities by way of rights to holders of ordinary shares in the Company in proportion (as nearly as may be practicable) to their respective holdings of such ordinary shares, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange; and
  - (b) otherwise than pursuant to sub-paragraph (a) above up to an aggregate nominal amount of £421,242,

and shall expire on 13 April 2023 or at the conclusion of the next Annual General Meeting of the Company in 2023 (whichever is the earlier), and provided further that the Company may before the expiry of this authority make an offer or agreement which would or might require relevant securities to be allotted after the expiry of this authority and the Directors of the Company may allot equity securities in pursuance of any such offer or agreement as if the authority conferred hereby had not expired.

## 15. NOTICE OF ANNUAL GENERAL MEETING CONTINUED

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12. THAT the Company be and is generally and unconditionally authorised for the purposes of section 701 of the Act to make one or more market purchases (within the meaning of section 693(4) of the Act) on the AIM market of the London Stock Exchange of its ordinary shares provided that:

- (a) the maximum aggregate number of ordinary shares authorised to be purchased is 84,484;
- (b) the minimum price which may be paid for such ordinary shares is £0.10 per ordinary share;
- (c) the maximum price which may be paid for an ordinary share shall not be more, at the time of purchase, than the amount equal to 105 per cent. of the average of the middle market quotations for an ordinary share as derived from the London Stock Exchange for the five business days immediately preceding the date on which the ordinary share is purchased;
- (d) unless previously renewed, varied or revoked, the authority conferred shall expire at the conclusion of the next Annual General Meeting of the Company in 2023; and

- (e) the Company may make a contract or contracts to purchase ordinary shares under the authority conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority and may make a purchase of ordinary shares in pursuance of any such contract or contracts, as if such authority had not expired.

By order of the Board

**Stephen Murphy**  
*Company Secretary*

11 March 2022

**Registered Office:**  
Singleton Court Business Park  
Wonastow Road  
Monmouth  
NP25 5JA

Registered in England and Wales No. 04966347

**NOTES:****ENTITLEMENT TO ATTEND AND VOTE**

1. Due to the ongoing COVID-19 pandemic and in light of the COVID-19 related Government measures which are presently in place to restrict social gatherings, as well as overriding health and safety concerns, the Company has decided to hold this year's Annual General Meeting ("**AGM**") as a closed meeting with only the minimum quorum of two members present. Any members and others (other than those forming the quorum) are unable to attend the AGM in person and, in the interests of safety, will be refused entry.
2. Members are therefore strongly encouraged to appoint the chairman of the AGM as their proxy, in line with the procedures set out in these Notes and the notes to the form of proxy, to ensure that their vote is exercised at the AGM. Other proxies will not be granted access to the AGM.
3. Only those members registered on the Company's register of members at:
  - (a) 6.30 p.m. on 11 April 2022; or
  - (b) if the AGM is adjourned, at 6.30 p.m. on the day two days prior to the adjourned meeting,
 shall be entitled to vote at the AGM. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to vote at the AGM. As mentioned, in light of the COVID-19 related Government measures which are present in place, anyone seeking to attend the AGM in person (other than those forming the quorum) will be refused entry.

**WEBSITE GIVING INFORMATION REGARDING THE AGM**

4. Information regarding the AGM, including a copy of this Notice and the information required by section 311A of the Companies Act 2006, can be found at the Company's website, [www.assetco.com](http://www.assetco.com).

**APPOINTMENT OF PROXIES**

5. If you are a member of the Company at the time set out in Note 3 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the AGM and you should have received a form of proxy with this Notice. You can only appoint a proxy using the procedures set out in these Notes and the notes to the form of proxy.

6. A proxy does not need to be a member of the Company but must attend the AGM to represent you. In light of the COVID-19 related Government measures which are presently in place, anyone seeking to attend the AGM in person (other than those forming the quorum) will be refused entry. Therefore, members intending to appoint a proxy are strongly encouraged to appoint the chairman of the AGM as their proxy. Details of how to appoint a proxy using the form of proxy are set out in the notes to the form of proxy.
7. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy using a hard copy proxy form, please contact the Company's registrars, Computershare Investor Services PLC, on 0370 889 3198, to request additional forms of proxy. As above, in light of COVID-19 related Government measures, members are strongly encouraged to appoint the chairman of the AGM as their proxy. Any other proxy will not be admitted to the AGM.
8. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the Resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the AGM.

**APPOINTMENT OF PROXY USING HARD COPY PROXY FORM**

9. The notes to the form of proxy explain how to direct your proxy how to vote on each Resolution or withhold their vote.

To appoint a proxy using the form of proxy, the form must be:

- completed and signed;
- sent or delivered to Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol, BS99 6ZY; and
- received by Computershare Investor Services PLC no later than 11.00 a.m. on 11 April 2022.

In the case of a member which is a company, the form of proxy must be executed under its common seal or signed on its behalf by a duly authorised officer of the company or a duly authorised attorney for the company.

Any power of attorney or any other authority under which the form of proxy is signed (or a duly certified copy of such power or authority) must be included with the form of proxy.

If you have not received a form of proxy and believe that you should have one, or if you require additional proxy forms, please contact Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY on 0370 889 3198.

#### APPOINTMENT OF PROXIES THROUGH CREST

10. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the AGM and any adjournment(s) of it by using the procedures described in the CREST Manual (available from <https://www.euroclear.com>). CREST personal members or other CREST sponsored members, and those CREST members who have appointed (a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("EUI") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID number 3RA50) by 11.00 a.m. on 11 April 2022 or, in the event of an adjournment of the AGM, 48 hours before the adjourned AGM. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

11. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular message. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed (a) voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
12. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

#### APPOINTMENT OF PROXY BY JOINT MEMBERS

13. In the case of joint holders, where more than one of the joint holders completes a proxy appointment, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

#### CHANGING PROXY INSTRUCTIONS

14. To change your proxy instructions, simply submit a new proxy appointment using the methods set out above. This can be done at any time provided it is received by Computershare Investor Services PLC prior to 11.00 a.m. on 11 April 2022, the start of the AGM, however, acceptance of any change to your proxy instructions received by Computershare Investor Services PLC after 11.00 a.m. on 11 April 2022, being the time that the proxy vote closes, will be at the sole discretion of the Board.

Where you have appointed a proxy using the hard-copy form of proxy and would like to change the instructions using another hard-copy form of proxy, please contact Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY on 0370 889 3198.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

#### TERMINATION OF PROXY APPOINTMENTS

15. In order to revoke a proxy instruction, you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by a duly authorised officer of the company or a duly authorised attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

Such revocation notice must be received by Computershare Investor Services PLC no later than 11.00 a.m. on 11 April 2022.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then your proxy appointment will remain valid.

#### CORPORATE REPRESENTATIVES

16. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

#### ISSUED ORDINARY SHARES AND TOTAL VOTING RIGHTS

17. As at 10 March 2022 (being the last business day prior to the publication of this Notice), the Company's issued ordinary share capital comprised 8,424,847 ordinary shares of 10p each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore,

the total number of voting rights in the Company as at 10 March 2022 is 8,424,847.

#### VOTING

18. Voting on all Resolutions will be conducted by way of a poll vote. On a poll, each shareholder has one vote for every ordinary share held. This will ensure that the votes of all members are recognised, including those who are unable to attend the AGM in person.

#### COMMUNICATION

19. Except as provided above, members who have general queries about the AGM should use the following means of communication (no other methods of communication will be accepted):-
- (a) e-mailing our investor relations team at [info@assetco.com](mailto:info@assetco.com); or
  - (b) calling the dedicated AssetCo plc shareholder information line at Computershare on 0370 889 3198.

You may not use any electronic address provided either:

- (a) in this Notice; or
- (b) any related documents (including the form of proxy),

to communicate with the Company for any purposes other than those expressly stated.

#### QUESTIONS AT THE AGM

20. Any member has the right to ask questions of the Company. As the AGM is being conducted as a closed meeting, questions must be submitted to the Company in advance using the methods set out in paragraph 19. The Company must answer any question you ask relating to the business being dealt with at the AGM unless:
- (a) answering the question would interfere unduly with the preparation for the AGM or involve the disclosure of confidential information; or
  - (b) the answer has already been given on a website in the form of an answer to a question; or
  - (c) it is undesirable in the interest of the Company or the good order of the AGM that the question be answered.

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## THE RESOLUTIONS EXPLAINED

21. The following Notes explain the proposed Resolutions:

- (a) Resolution 1. The Company is required to present the accounts together with the Directors report and the auditor's report to the AGM for approval.
- (b) Resolutions 2 to 7. In accordance with the Articles of Association of the Company and in accordance with best corporate governance practice all the Directors are standing for re-election.
- (c) Resolutions 8 and 9. The auditors must be re-appointed at each meeting at which the accounts are laid, to hold office until the conclusion of the next such meeting. Resolution 9 gives authority to the Directors in accordance with standard practice to determine the auditor's remuneration.
- (d) Resolution 10. The Directors may only allot ordinary shares or grant rights to subscribe for, or convert any security into ordinary shares, if authorised to do so by shareholders. The existing authority to allot ordinary shares conferred on the Directors at last year's Annual General Meeting under section 551 of the Act expires on the date of the AGM.

Resolution 10 seeks to renew the existing authority under section 551 of the Act which would otherwise expire at the AGM, to give the Board authority to allot ordinary shares and to grant rights to subscribe for or convert any security into ordinary shares up to an aggregate maximum normal amount of £421,242 (representing 4,212,420 ordinary shares of 10 pence each, which represents approximately 50 per cent. of the issued ordinary share capital of the Company (excluding treasury shares) as at 10 March 2022 being the latest practicable date prior to the date of this Notice).

The authority granted by this Resolution will expire at the earlier of the conclusion of the next Annual General Meeting of the Company or 13 April 2023. As at 10 March 2022 being the latest practicable date prior to publication of

this Notice, no ordinary shares are held by the Company in treasury.

The Company is proposing this Resolution to give the Directors flexibility to allot ordinary shares and to grant rights to subscribe for or convert any security into ordinary shares.

- (e) Resolution 11. Under section 561(1) of the Act, if the Directors wish to allot ordinary shares, or grant rights to subscribe for, or convert securities into ordinary shares, or sell treasury shares for cash (other than pursuant to an employee share scheme) they must in the first instance offer them to existing shareholders in proportion to their holdings. There may be occasions, however, when the Directors need the flexibility to finance business opportunities by the issue of new ordinary shares, for cash, without a pre-emptive offer to existing shareholders. This cannot be done under the Act unless shareholders have first waived their pre-emption rights. This Resolution 11 seeks to review the authority given to the Board which would otherwise expire at the forthcoming AGM, to allot equity securities for cash on a non-pre-emptive basis, (a) pursuant to a rights issue, or (b) up to an aggregate nominal amount of £421,242 representing 4,212,420 ordinary shares of 10 pence each (which represents approximately 50 per cent. of the issued ordinary share capital of the Company (excluding treasury shares) as at 10 March 2022, being the latest practicable date prior to the publication of this Notice). The authority granted by this Resolution will expire at the earlier of the conclusion of the next Annual General Meeting of the Company or 13 April 2023.
- (f) Resolution 12. This Resolution will give the Company the ability to purchase its own ordinary shares up to a specified amount. The authority will be limited to market purchases of up to 84,484 ordinary shares, being 10 per cent. of the issued ordinary share capital (excluding treasury shares) as at 10 March 2022, being the latest practicable date prior to the publication of this Notice.

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This Resolution sets out the minimum and maximum prices that the Company can pay for the ordinary shares. The authority will be kept under review and the Company will only exercise the power to purchase after careful consideration and when the Company is satisfied that to do so is in the best interests of the Company and its shareholders under the circumstances. The authority granted by this Resolution will expire at the earlier of the conclusion of the next Annual General Meeting of the Company or 13 April 2023. Any ordinary shares purchased would be either held as treasury shares or cancelled at the discretion of the Directors.

# 16. COMPANY INFORMATION

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## COMPANY REGISTRATION NUMBER

04966347

## REGISTERED OFFICE

Singleton Court Business Park  
Wonastow Road  
Monmouth  
Monmouthshire  
NP25 5JA

## DIRECTORS

Martin Gilbert (*Chairman*)  
Campbell Fleming  
Peter McKellar  
Christopher Mills  
Mark Butcher  
Tudor Davies

## COMPANY SECRETARY

Stephen Murphy

## INDEPENDENT AUDITOR

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
1 Kingsway  
Cardiff  
CF10 3PW

## NOMINATED ADVISER AND CORPORATE BROKER

Arden Partners plc  
125 Old Broad Street  
London  
EC2N 1AR

## REGISTRAR

Computershare Investor Services PLC  
PO Box 82  
The Pavilions  
Bridgewater Road  
Bristol  
BS13 8AE

## WEBSITE

[www.assetco.com](http://www.assetco.com)

Singleton Court Business Park  
Wonastow Road  
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Monmouthshire  
NP25 5JA

