Ravenscroft

Annual Report & Consolidated Financial Statements 2020


HEAT
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Ravenscroft

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ravenscroftgroup.com

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BUSINESS AND FINANCIAL HIGHLIGHTS

YEAR ENDED 31 DECEMBER 2020

£7.75bn AUA
+4% GROWTH[1]

OPERATING PROFIT
INCREASED BY
8% TO **£6.65m**

REVENUE
£29.10m
+4%
GROWTH[1]

15p
FINAL
DIVIDEND

£628m NET **NEW**
CLIENT **ASSETS**[2]

SURPASSED **£500m**
INVESTED INTO **RAVENSCROFT**
INVESTMENT FUNDS

Office locations

+2

new locations

16

Additional employees[3]

100%

OF STAFF EQUIPPED TO WORK REMOTELY

Financial Calendar

2021

7 April 2021	Dividend declaration date and publication of the Annual Report & Consolidated Financial Statements 2020
9 April 2021	Ex-dividend date
12 April 2021	Dividend record date
20 April 2021	Dividend payment date

[1] Includes the effect of additional revenue and assets from business acquisitions during the year for 2020.
[2] Assets from new clients less assets from lost clients.
[3] 10 additional staff members relate to business acquisitions.

COMPANY INFORMATION
YEAR ENDED 31 DECEMBER 2020

RAVENSCROFT HOLDINGS LIMITED (THE "COMPANY")[1]

DIRECTORS

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

S P Lansdown CBE
(Non-Executive Chairman)

D C Jones
(Independent Non-Executive Director)

C D Barling
(Independent Non-Executive Director)

R A Hutchinson
(Independent Non-Executive Director)

R A Collenette (appointed 25 March 2021)
(Non-Independent Non-Executive Director)

J R Ravenscroft
(Group Chief Executive Officer)

M L C Bousfield
(Group Managing Director)

B M O'Mahoney
(Group Finance Director)

COMPANY SECRETARY

D McGall
(Group Company Secretary)

REGISTERED OFFICE

PO Box 222
20 New Street
St Peter Port
Guernsey
GY1 4JG

TISE LISTING SPONSOR

Carey Olsen Corporate Finance Limited
Carey House
Les Banques
St Peter Port
Guernsey
GY1 4BZ

INDEPENDENT AUDITOR

PricewaterhouseCoopers CI LLP
Royal Bank Place
1 Glategny Esplanade
St Peter Port
Guernsey
GY1 4ND

[1] Ravenscroft Holdings Limited and its subsidiaries (together the "Group")

THE BOARD OF DIRECTORS

YEAR ENDED 31 DECEMBER 2020

Stephen Lansdown CBE

Non-Executive Chairman

Tenure: 5 years*

Board committees:
Nomination,
Remuneration

Stephen is co-founder and former Chairman of Hargreaves Lansdown plc, the UK's largest independent private client brokerage and a member of the FTSE 100. A Fellow of the Institute of Chartered Accountants in England and Wales, Stephen was presented with Honorary Degrees from Bristol University (Doctor of Laws) and the University of the West of England (Doctor of Business Administration) in 2012. He moved to Guernsey in March 2010 and has become a firm supporter of the local business, culture and sporting scenes. Stephen's many other business interests include investments in Africa, renewables and various sports teams. In June 2017 Stephen was awarded a CBE for his services to business and community in Bristol. Stephen became a shareholder in December 2012, was appointed as a Non-Executive Director to the Ravenscroft Limited Board in September 2015 and was named Chairman in June 2017. Stephen is also a member of the Nomination and Remuneration Committees.

Dominic Jones

Independent
Non-Executive Director

Tenure: 6 years*

Board committees:
Audit, Nomination,
Remuneration (Chairman)

Dominic holds a degree in law from the University of Bristol and was admitted to the English Bar in 1987 and the Paris Bar in 1992. He started his career in 1988 with Slaughter and May, and after a period in investment banking with Morgan Stanley joined Mourant, where he was a partner of Mourant Equity Compensation Solutions. He also held senior group board positions at leading European private equity fund administrators IPES and Alter Domus. In 2010, he joined his family's business, JPRestaurants, and holds the position of Chief Executive Officer. Dominic is an independent Chairman of the General Partner of a leading Nordic private equity fund and a council member of the National Trust for Jersey. He was appointed to the Ravenscroft Limited Board on 18 March 2014, is a member of the Nomination and Audit Committees and is Chairman of the Remuneration Committee.

Christopher (Chris) Barling

Independent
Non-Executive Director

Tenure: 2 years

Board committees:
Audit, Nomination
(Chairman), Remuneration

Chris holds a first class honours degree in computer science from Brunel University and has over 40 years' IT industry experience. For eight years he was a Non-Executive director of Hargreaves Lansdown plc, latterly as Senior Independent Director and Chairman of the Remuneration Committee. He was the co-founder of Actinic Software Limited, a software company specialising in e-commerce solutions for SMEs. Chris specialises in product development and digital business with current directorships including Powered Now Ltd, which provides software and services for small trade companies, and The Bot Platform Limited, which develops chatbots for large companies. He was appointed to Ravenscroft Holdings Limited as a Non-Executive Director and Chairman of the Nomination Committee on 1 September 2018. Chris is also a member of the Remuneration and Audit Committees.

Robert (Rob) Hutchinson

Independent
Non-Executive Director

Tenure: 2 years

Board committees:
Audit (Chairman),
Nomination, Remuneration

Rob qualified as a Chartered Accountant in 1990 and spent 28 years with KPMG. He led the firm's fund and private equity practices for seven years and served as Head of Audit for KPMG in the Channel Islands for five years until 2013. Rob retired from practice in 2014. He is a Fellow of the Institute of Chartered Accountants in England and Wales and has served as President of the Guernsey Society of Chartered and Certified Accountants between 2007 and 2009. Rob now holds several non-executive directorships including a board position on the Guernsey Sports Commission LBG, a registered charity. He was appointed to Ravenscroft Holdings Limited as a Non-Executive Director and Chair of the Audit Committee on 1 November 2018 and is also a member of the Nomination and Remuneration Committees.

* Includes tenure of Ravenscroft Limited and Ravenscroft Holdings Limited

Jon Ravenscroft

Group Chief
Executive Officer

Tenure: 15 years*

Jon founded Ravenscroft in 2005. He has more than 30 years' experience in stockbroking. Jon started his career in stockbroking in 1983 as a trainee dealer at Sheppards & Chase and then spent a short time in the Isle of Man before returning to Guernsey to establish a stockbroking office that is now Canaccord Genuity Wealth (International) Limited (formerly Collin Stewart (CI) Limited). He was educated at Elizabeth College in Guernsey and Millfield School in the UK. Jon is a Fellow of the Chartered Institute for Securities and Investment ("CISI").

Mark Bousfield

Group Managing Director

Tenure: 4 years*

Mark joined Ravenscroft in 2008, having previously been head of discretionary portfolio management at Brewin Dolphin Limited, Guernsey. Prior to that, he worked at Matheson Securities Limited and Credit Suisse (Guernsey) Limited. Mark was educated at Elizabeth College, Guernsey and the University of Leeds where he studied geography and politics. He is a Fellow of the CISI, having completed the CISI Diploma, and also a Chartered Wealth Manager.

Brian O'Mahoney

Group Finance Director

Tenure: 6 years*

Brian joined Ravenscroft as Group Finance Director in July 2015 having previously worked at Legis Group where he performed a similar role. He was instrumental in steering Legis Group through its initial management buyout and subsequent industry sales. Prior to Legis, Brian worked at Kleinwort Benson for 13 years, ultimately becoming Chief Financial Officer for the Channel Islands, a role he held for a number of years. Brian is a Fellow of the Institute of Chartered Accountants in Ireland and holds a finance based MBA from Manchester Business School.

Richard Collenette

Non-Independent
Non-Executive Director

Tenure: <1 year

Richard was appointed to the Board on 25 March 2021 as a Non-Independent Non-Executive Director of the Company to represent the interests of the Lansdown family office, Pula Limited. He was educated at Elizabeth College in Guernsey and obtained a degree in accounting and financial studies from the University of Exeter. Richard is a Fellow of the Institute of Chartered Accountants in England and Wales having qualified with Deloitte in 2003. He went on to be a Finance Director within a US listed group gaining exposure to the stringent requirements of the Sarbanes-Oxley Act over internal controls and corporate governance. Richard has worked for Pula Limited since 2016, firstly as Chief Financial Officer and, more recently, as Chief Executive Officer.

* Includes tenure of Ravenscroft Limited and Ravenscroft Holdings Limited

CHAIRMAN'S STATEMENT

YEAR ENDED 31 DECEMBER 2020

2020 was, amongst other things, a truly humbling experience. On one hand, we have received a stark reminder regarding the fragility of human health and I offer my deepest sympathies to any that have experienced suffering as a direct result of COVID-19.

On the other hand, we have witnessed the raw might of the innovation and development that can occur when we unite with a common goal. We have all been forced to adapt, both personally and professionally, and the pandemic has torn any complacent assumptions about future growth away from business owners across industries the world over.

Against this sombre backdrop, I am extremely proud of what our team has managed to achieve. During 2020, Ravenscroft has acquired two new offices; the first in Bishop's Stortford and the second in the Isle of Man. It was a pleasure to get a chance to visit the team in the Isle of Man and I look forward to meeting our new colleagues in Bishop's Stortford in the not too distant future. Our focus now is on the integration of these teams and our new clients; a challenging task whilst many staff are still working from home, but one that the Ravenscroft team addresses with the usual enthusiasm and can-do attitude. This takes our total number of offices to five; operating across Guernsey, Jersey, Isle of Man and the UK, and the total employed staff to 123.

Partly as a result of these acquisitions and partly due to new business and performance of assets, the Group's assets under administration ("AUA") increased by 4% to £7.75bn. I am delighted to add that £628m of this is net new client assets. In line with this, our newly named Ravenscroft Investment Funds (formerly Huntress Funds), surpassed £500m of AUA invested in the combined range. It has been 12 years since the first Ravenscroft fund was launched and we thank you for your long-term support of these funds and our services.

Over the next six months, challenges presented by lockdown are likely to persist. In the same way that our team have had to adapt to a new way of doing things (at the time of writing we have 95% of the Ravenscroft team working from home), so have our clients. A huge thank you to our clients, both new and old, who have found their way using Zoom, FaceTime and Google Meet and who have granted us patience as we balance obeying health guidelines, complying with regulation and mastering new technologies.

> In summary, 2020 has not been without its challenges, however with the support of our clients and our team we have continued to grow our business and our offering.

We are extremely pleased to be in a position to report a dividend of 15p for our shareholders and we look forward to seeing you in person as soon as we can.

Finally, this will be my last Chairman's statement as I have taken the decision to retire from the Board to spend more time with my family and concentrate on my sporting interests in Bristol and conservation work in Africa.

> It's been a privilege to be on the Ravenscroft board for almost six years and Chairman for the past four and as a major shareholder and client I will still be involved.

We have made some excellent appointments to the board, which will be chaired by Dominic Jones, and I have every confidence that they will continue to drive the business forward. Ravenscroft has an exciting future ahead of it.

Stephen Lansdown CBE
Chairman

6 April 2021

BUSINESS AND FINANCIAL REVIEW

YEAR ENDED 31 DECEMBER 2020

Jon Ravenscroft

Group Chief Executive Officer

GROUP BUSINESS REVIEW

	31 December 2020 £'000	31 December 2019 £'000	Year on Year Change
Revenue			
Recurring revenue	20,076	18,515	8%
Non-recurring revenue	9,021	9,337	(3%)
Total revenue	**29,097**	**27,852**	**4%**
Gross profit	**24,973**	**24,325**	**3%**
Operating expenses[1]			
Administrative expenses	(16,998)	(16,806)	1%
Depreciation and amortisation	(922)	(1,001)	(8%)
Trading profit[2]	**7,053**	**6,518**	**8%**
Assets under administration (£m)	7,748	7,453	4%

[1]This excludes amortisation on acquired client relationships and share based payment expense.

[2]The Board evaluates the performance of the Group using the trading profit disclosed above, as the Board believes that this provides period to period comparability before the effects of the amortisation of client relationships and share based payment schemes are recognised. The only adjustments to the statutory International Financial Reporting Standards as adopted by the European Union ("IFRS") information presented in determining these alternative performance measures is the deduction of amortisation on client relationships and the relevant period's shared based payment expense.

Group business review

I am pleased to report that 2020 saw a resilient performance from the Group given the current global pandemic we find ourselves in. Thank you to our clients and shareholders for the trust and loyalty you continue to show us, and to our staff for the hard work and dedication you have shown in these extraordinary circumstances.

In a year where there have been many difficulties, from falling financial markets, to lowering interest rates and restrictions on our day-to-day lives, the Group has outperformed its targets on many of our service lines. The introduction of two new offices, Ravenscroft (Bishops Stortford) Limited in the UK and Ravenscroft (IOM) Limited in the Isle of Man, ensures the Ravenscroft family continues to grow. We welcome our new clients and staff members that have joined as a result of this. Our operating platform upgrade has experienced delays due to the pandemic, however I am pleased to say this is in its final stages and is due for launch in Q3 2021. This upgrade will allow us to be more flexible in how we offer services to our clients.

Following his decision to retire from the Board, I would like to personally thank Steve for his huge influence on the business over the last six years and, more recently, his support and guidance as Chairman. We are delighted that Steve will remain our largest shareholder and supporter, which is a huge acknowledgement of his continued confidence in the future of our business. I would like to welcome Richard following his recent appointment and I look forward to working with him as part of the Ravenscroft board.

Revenue

We are proud to present revenues which have increased by 4% to £29.10m (2019: £27.85m). An 8% increase in recurring revenues to £20.08m (2019: £18.52m) reflects the long-term sustainability and durability of the majority of the Group's revenue. This was mainly due to the addition of the two new offices mentioned, with Bishop's Stortford contributing £973k and Isle of Man contributing £400k recurring revenues for the year. Given the market conditions over the year, I am delighted to highlight the performance of our Channel Islands' investment management service line, which saw revenues increase by £893k year-on-year. The Ravenscroft Investment Funds saw positive performance across the board and surpassed the £500m milestone of total AUA invested in these; a great achievement given the backdrop of a tough year for financial markets.

Non-recurring revenue decreased by 3% to £9.02m (2019: £9.34m) mainly due to a fall in corporate services transactional revenue, for which 2019 was an exceptionally strong year.

Trading profit

It brings me great pleasure to be able to report to you another year of growth on one of our key performance indicators, with trading profit increasing by 8% to £7.05m (2019: £6.52m). This reflects the overall revenue increase described above, alongside our ability to manage costs despite the fast growth of the Group.

Costs have widely remained consistent year-on-year, although travel is a notable cost reduction when compared with the prior year, due to continued government restrictions in place across all of the Group's jurisdictions.

Statement of financial position and cash flows

At the year ended 31 December 2020, the Group had net assets of £25.96m (2019: £18.94m), including cash balances of £10.13m (2019: £7.41m). During the year an additional 840,575 of shares were issued in order to settle obligations to staff incentive schemes, raising £3.2m in capital for the Company and contributing to the year-on-year increase in cash held.

The Group manages its capital to ensure that all Group entities will be able to continue as going concerns while aiming to maximise the return to shareholders. The capital structure of the Company consists of borrowings (see note 16) and equity attributable to shareholders of the Company, comprising issued share capital, share premium and reserves as disclosed in the consolidated statement of changes in equity.

It is the responsibility of the Board to review the Group's gearing levels on an ongoing basis and as such it carries out extensive on-going cash flow forecasting. As described in note 16, during the year the Company committed to increasing the current loan facility held with Investec Bank (Channel Islands) Limited to £6.55m. A further £2m was drawn down to assist with the funding of business acquisitions during the year, which follows the Group's growth strategy.

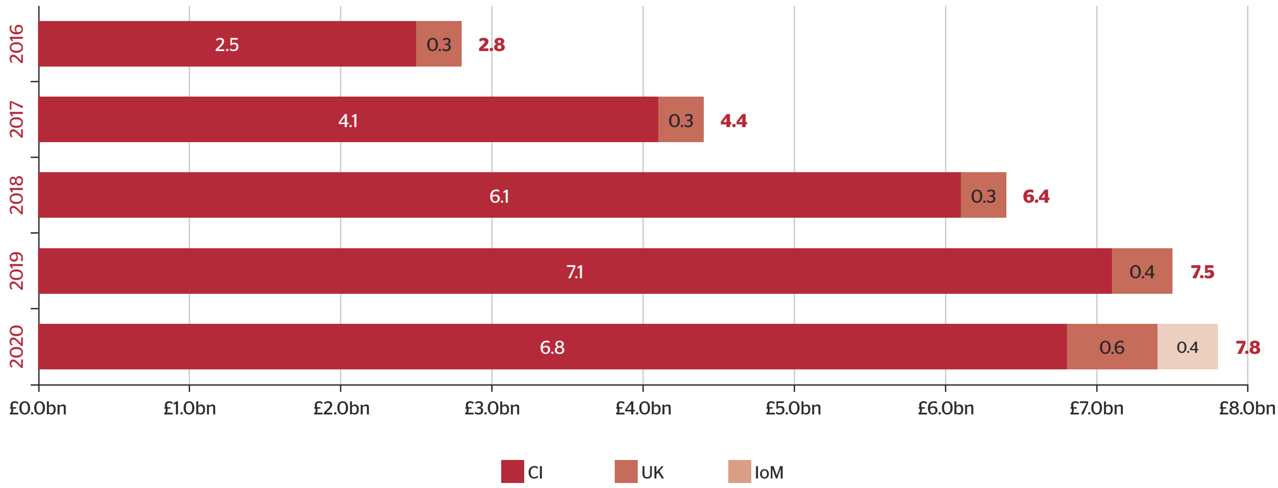
Seven of the Group's subsidiaries, Ravenscroft (CI) Limited ("RL-CI") (formerly Ravenscroft Limited), Ravenscroft Investment Management Limited ("RIML"), Ravenscroft Investments (UK) Limited ("RIL-UK") (formerly A Vartan Limited)[1], Ravenscroft Cash Management Limited ("RCML"), Ravenscroft Custody Services Limited ("RCSL"), Ravenscroft Specialist Fund Management Limited ("RSFML") and Ravenscroft (IOM) Limited ("RL-IOM") (formerly WH Ireland (IOM) Limited) are required to maintain minimum financial resources in accordance with the rules of their respective regulators. These requirements vary from time to time depending on the business conducted by these companies. The companies' financial resources are reviewed on an ongoing basis and the levels maintained are considered by the Board as sufficient to meet the companies' commitments and withstand the risks to which they are subject.

RL-CI, through its Jersey branch, is regulated by the Jersey Financial Services Commission ("JFSC") under the Financial Services (Jersey) Law, 1998. The Group's Guernsey subsidiaries regulated by the Guernsey Financial Services Commission ("GFSC") are RL-CI, RIML, RCML, RCSL and RSFML. RIL-UK[1] is regulated by the Financial Conduct Authority ("FCA"). RL-IOM is regulated by the Isle of Man Financial Services Authority ("IOMFSA"). The Group's subsidiaries have complied with the applicable capital adequacy requirements to which they are subject during the period under review.

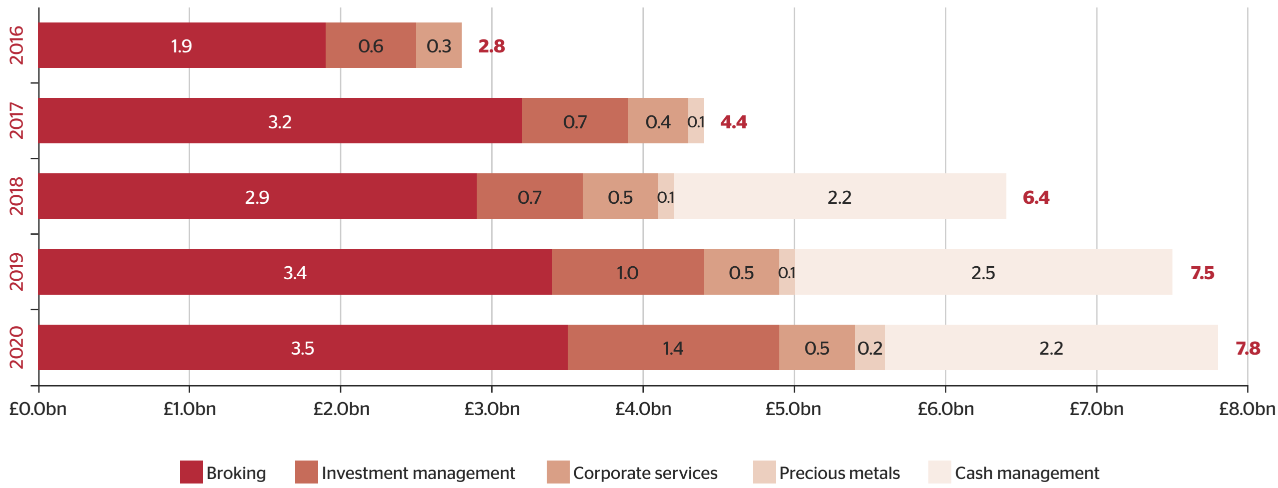
[1]RIL-UK forms a group with its subsidiary Ravenscroft (Bishops Stortford) Limited ("RBSL") (formerly Tees Investment Management Limited) for regulation purposes by the FCA. RBSL operates under the FCA licence of RIL-UK and regulatory requirements are met on a consolidated basis.

Assets Under Administration ("AUA")

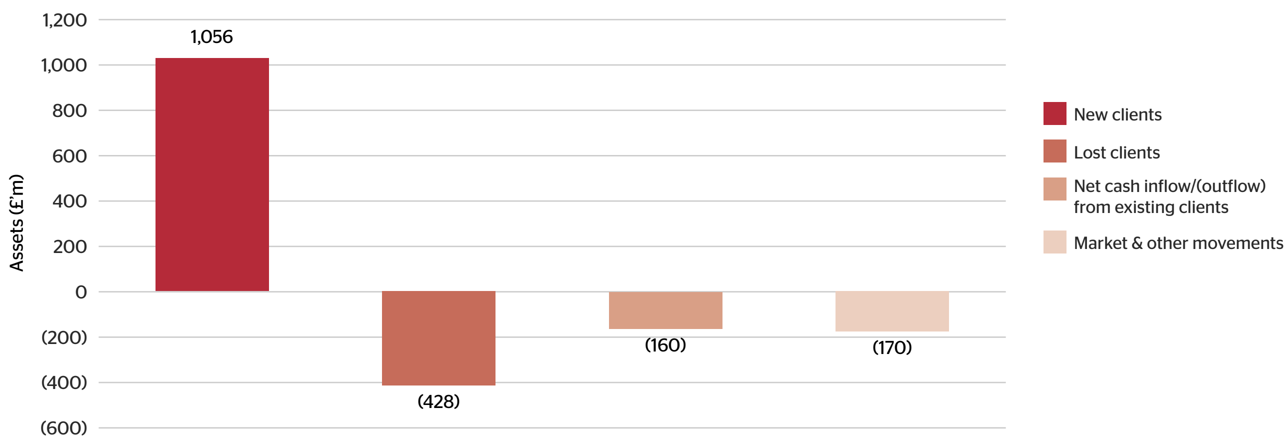
AUA by jursidiction



AUA by service line



The AUA of the Group grew during the year, rising by 4% to £7.75bn (2019: £7.45bn). This year-on-year increase was primarily due to new client assets. All movements for the year are detailed below:



Earnings per share

Basic earnings per share of 40.19p and diluted earnings per share of 39.91p have decreased by 3.00p and 0.37p respectively (2019: basic earnings per share of 43.19p and diluted earnings per share of 40.28p) due primarily to the share of loss from associates and joint ventures after exiting the Group's holding in MXC Capital (UK) Limited.

The dilutive effect reflects the potential exercise of staff share options. As at the year end date, the 100,000 outstanding share options had a dilutive effect, as the then share price of £6.25 exceeded the exercise price of the options.

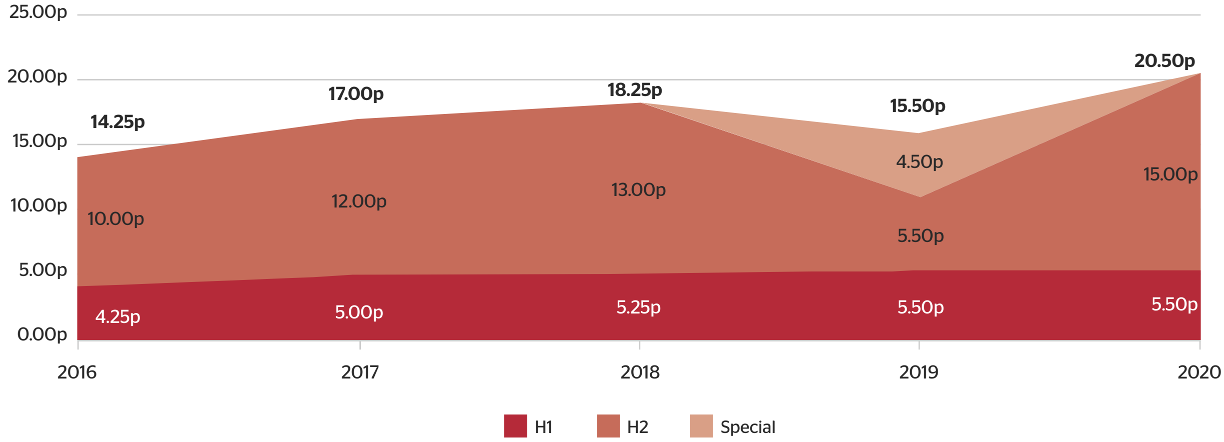
Dividend

The Board declared a dividend of 15p per share in respect of the period 1 July 2020 to 31 December 2020 ("the 2020 H2 dividend") (2019 H2 dividend: 5.5p per share) to be paid on 20 April 2021.

This increase reflects the performance of the Group as well as the positive news with regards to COVID-19 vaccinations and the expectation that life will return to some sense of normality in 2021, which in turn is expected to underpin stable financial markets.

This results in a total annual dividend attributable to 2020 results of 20.50p (2020 H1 dividend of 5.5p per share) representing an increase of 32% from the prior year total of 15.5p (special dividend of 4.5p per share attributed to 2019 results).

Dividend attributable (pence per share)

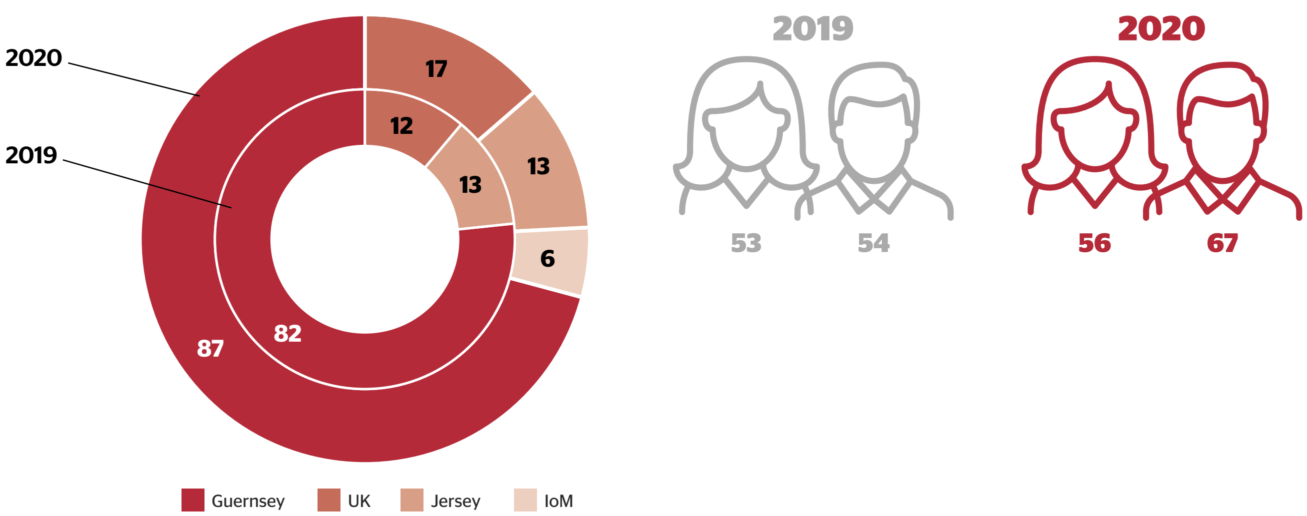


People

We recognise that our staff are a key resource of the business and that quality of leadership and the highest level of client service is vital to the success of the Group. The Board continually strives to improve the engagement and motivation of our people in order to improve business performance and we ensure leaders understand what is expected of them in developing their teams.

As at 31 December 2020, the Group employed a total of 123 (2019: 107) permanent staff across the five offices. Of the 123 permanent staff employed, 67 were male and 56 were female (2019: 54 male, 53 female).

Group Headcount 2020



RAISING THE PROFILE OF RAVENSCROFT NATIONALLY

Throughout 2020, brand exposure and awareness of Ravenscroft nationally was achieved through comments and editorials in leading trade publications and national newspapers plus appearances by our Chief Investment Officer Kevin Boscher on Bloomberg and CNBC. A selection of some of those publications are shown here:

The Telegraph · CITYWIRE · PORTFOLIO ADVISER · THE TIMES · Daily Mail · INVESTMENT WEEK · FT ADVISER · Bloomberg · CNBC · CITY A.M.

61 Pieces of coverage

66 Comment opportunities secured

17 Insights and comments promoted

9 Broadcast interviews

Bristol Bears sponsorship

The agreement to be the principal partner, which was the largest in the Bear's history, saw the Ravenscroft name on the new home, away and European jerseys for the 2020/21 season. Sadly COVID-19 restrictions have led to all games being played behind closed doors but we have worked with the media team to maximise brand exposure and awareness. The partnership launch video had almost 60,000 social media impressions with 4,000 engagements – a 30% increase on previous partnership launches. The kit launch had nearly 80,000 impressions, the home kit was voted *'Best home kit'* by BT Sport Rugby and there have been record European kit sales. We also suggested a festive social media initiative and worked with the Bears media team to create the *'12 Days of Christmas'* campaign which generated 240,000 impressions.

Ravenscroft independently recognised in a number of awards

At the European Captive Review Awards 2020, Ravenscroft was named *'Investment Specialist of the Year'*. The award was for Ravenscroft's cash management team who were also shortlisted in the *'Collateral Specialist'* category.

In Citywire Wealth Manager's *'Investment Performance Awards'*, Ravenscroft was shortlisted for the *'Best Medium Firm'* award and its Global Blue Chip Fund was shortlisted in the *'Individual performance award for Aggressive portfolios'*. Citywire Wealth Manager also listed Ravenscroft's Isle of Man director David Bushe in its *'Top 100 list of the leading fund selectors across the UK and Channel Islands'*.

Fund analyst Shannon Lancaster was shortlisted by Investment Week for its *'Women in Investment Awards'* for the third year. She was named *'Fund Analyst of the Year'* in 2019 and shortlisted in 2018.

Head of client services Sophie Yabsley and Haydn Taylor, head of our Jersey office, were named in the *'Top 10 wealth managers in Guernsey and Jersey'* by Spears.

Ravenscroft in the community

As always, Ravenscroft continued its support of the communities within which we operate. This is an important part of our ethos and we are proud to work with charities, voluntary organisations, sporting bodies, aspiring sports professionals and community events.

Here is just a small selection of our support in 2020.

Priaulx Library
We have been long-term sponsors of the Priaulx Library's garden exhibition which attracts thousands of islanders and visitors. The 2020 exhibition, entitled *'Occupation and Liberation'*, celebrated the 75th anniversary of Guernsey's liberation.

Jersey Swimarathon
Ravenscroft has been the principal sponsor of the Jersey Swimarathon since 2019 when we stepped in as a last-minute sponsor for the annual fundraiser organised by the Lions Club of Jersey. The island's largest sporting fundraiser sees more than 3,500 swimmers take part to raise money for five chosen beneficiaries and for the Lions Club to continue its support of charitable causes and islanders in need. Unfortunately, the 2020 Swimarathon was cancelled as a result of COVID-19, but the five chosen beneficiaries will now benefit from the 2021 event.

Pride of Guernsey & Pride of Jersey
Ravenscroft has supported the Pride of Guernsey Awards, organised by the Guernsey Press, and the Pride of Jersey Awards since they launched in 2016. In both islands, we sponsor the *'Angel of the Year'* category to recognise nurses, doctors and health workers who dedicate their careers to looking after not only islanders' wellbeing but in many cases saving lives. The Guernsey winner was Kate Corcoran. As a school nurse who, when the pandemic hit, was unable to work but volunteered to go back to hands-on nursing and was seconded to a care home where she nursed patients with COVID-19. The Jersey Awards were delayed due to restrictions on social gatherings.

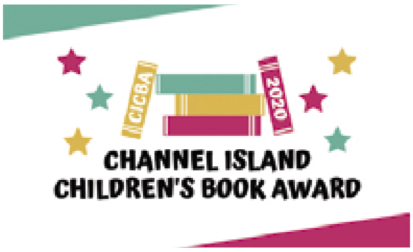
True Grit Wetwheels Challenge
Ravenscroft was the gold sponsor of the inaugural *'True Grit Wetwheels Challenge'*, a fun but challenging adventure course across different terrains around Ronez Quarry on Jersey's north coast. The event saw hundreds of runners start 36 metres below sea level and then race to the top in what was a test of competitors' physical and mental strength as well as their endurance. The event was created to raise money and awareness for Wetwheels Jersey, who provide disabled islanders the chance to experience the excitement of being out at sea.

Christmas Toy Appeal – Guernsey, Jersey and the Isle of Man
Ravenscroft has supported the Christmas toy appeal for several years; originally in Guernsey with Island FM and since 2018 in Jersey with Channel 103. The aim of the appeal is to provide gifts for those youngsters who are less fortunate and may not get a present at Christmas. In 2020, the appeal was expanded to include teenagers and an additional collection point at Jacksons was added in both islands. In what was our first charitable initiative in the Isle of Man, Ravenscroft sponsored its Christmas toy appeal *'Santa's Little Helpers'* in partnership with 3FM and collected hundreds of gifts.

Future Stars Cricket Programme
The programme, which is for girls and boys aged from five to eight in Guernsey, was launched in 2008 and introduces the skills of cricket through various fun based drills. A record number of young cricketers signed up in 2020 for *'Ravenscroft Future Stars'* and through Ravenscroft's support, each child was given was given kit, designed by Newbery Cricket.

Jersey Marathon Relay
In 2020, Ravenscroft agreed a three year sponsorship of the Jersey Marathon Relay which attracts hundreds of runners to complete the 26.2 mile course in teams of five. The event was held virtually in 2020 with a socially distanced final to determine the winners.

Youth Football – Guernsey and Jersey
Efforts to encourage more Guernsey youngsters to become involved in football have been so successful that we extended our support of the *'Football for Everyone'* partnership for a further three years. In Jersey, as part of our commitment to young people in sport, we took up the sponsorship of a new football team, JS Juniors, in 2018. Since then the success of the club has seen numbers grow and at the start of the 20/21 season, we agreed a three year sponsorship.



Channel Islands Children's Book Awards
A joint initiative between Guernsey's Guille-Allès Library and the Jersey Public Library, the award celebrates excellence in children's writing and was created to help children develop a love of reading for pleasure. Channel Islands' children in Years 5, 6 and 7 are invited to nominate their favourite book published the previous year, with a panel of librarian judges whittling the nominations down to a final shortlist.

Tour de Jersey
As part of our growing support of the Jersey community, Ravenscroft became the lead sponsor for *'Tour de Jersey'*. The 2020 event, which raised more than £8,000 for Jersey Hospice Care, went virtual for the month of August giving participants more time to complete one or more of the stages or, for the more ambitious, the whole route in one go.

Isle of Man Ladies vs Guernsey Ladies
In what was the first of its kind thanks to the air bridge, Guernsey Ladies rugby team flew to the Isle of Man to take on the island's ladies team. Ravenscroft sponsored the game, which was our first sponsorship in the island.

Sporting Ambassadors
In 2020, we continued to support a number of sporting ambassadors including racing driver Sebastian Priaulx, Brighton Ladies footballer Maya Le Tissier, triathletes Josh Lewis and Jack Kennedy and Olympic hopeful Cameron Chalmers.

Principal risks and uncertainties

The principal risks and uncertainties currently faced by the Group are detailed below. The risks outlined are those that the Board believes have the potential to have a significant detrimental impact on the Group's financial performance and future prospects.

Reputational risk

We consider the greatest risk to our business to be from the potential loss of its reputation. Many of the risks listed below have the potential to damage the reputation of our business and are recognised and managed accordingly. In addition, we recognise new business as an area of significant potential reputational risk. Whilst employees are encouraged to develop new clients and varied streams of revenue, all new business is subject to a rigorous take-on process and risk rating review, as well as on-going controls and monitoring to ensure that it meets the Group's strict new business criteria.

Employee risk

Our employees are the Group's greatest asset and all future successes are dependent on our ability to attract and retain high quality people. We seek to minimise employee risk by rewarding staff members through an attractive remuneration package, which includes performance-based payments that align the interests of both employees and shareholders, whilst avoiding the encouragement of excessive individual risk taking. We conduct annual appraisals and semi-annual reviews, which include an assessment of whether the employee conforms to both regulatory and other Group-required standards.

Regulatory risk

Regulatory changes arising in any of the Group's current jurisdictions, which could potentially impair the Group's ability to provide services, would adversely affect our ability to trade and achieve our strategic objectives.

Our technology and data driven operational model enables us to rapidly respond to the ever increasing volume of information requests from our various regulators. Before entering any new jurisdiction, as we did with the Isle of Man in 2020, we ensure that we understand and can comply with the relevant regulation.

Business continuity risk

There is a risk that any incident we are affected by, directly or indirectly, such as disruption to utilities and services, office closures or pandemic occurrences, could potentially damage the Group's infrastructure or affect key employees, which in turn could result in financial loss. Business continuity planning is in place across the Group in order to maintain operations with minimum disruption through a combination of business continuity planning, duplicated infrastructure and remote facilities. Regular testing of the business continuity plan is undertaken. The threat of disruption from COVID-19 is recognised and appropriate measures are in place and constantly monitored in order to attempt to mitigate this risk.

Our UK offices worked remotely for the majority of 2020 and remain in that position, whilst our Jersey office went into a second lockdown in December 2020. Guernsey entered its second lockdown without notice at midday on Saturday 23 January 2021. All staff were working remotely when the markets opened on Monday 25 January.

Information security risk

Technology and information security are central to the Group's business. Information security risk is defined as the risk of loss resulting from cyber-crime, malicious disruption to our networks from the theft, misplacing, interception, corruption or deletion of information. Cyber-crime attacks continue to grow in terms of scale and complexity. All internet traffic, both outgoing and incoming, is routed through state of the art cyber security mechanisms by our service provider, CORVID Protect Limited, that constantly screen for unusual or suspicious traffic, both inward and outward. External access to our systems is protected by two factor authentication and all traffic is encrypted. Internally, all drives are locked down to prevent data transfer unless specifically authorised and enabled. Ravenscroft servers are housed in a highly secure and resilient data centre in Guernsey with a minimum of daily offsite backups. The network is protected with industry standard firewalls and anti-virus measures and all server patching is maintained to appropriate levels.

Strategic risk

The Group's business strategy is to deliver the core operational services centrally from Guernsey, to both existing and new jurisdictions. The ability to scale our operations efficiently and effectively is key to sustainable and geographically diverse growth. The transformational systems and operations platform project has been delayed for a number of reasons, not least of which is that Guernsey went into its second lockdown in 12 months on 23 January 2021. Whilst remote working works well for day to day business it makes training and testing much more difficult on a significant systems project.

Operational risk

Operational risk is the risk that the Group suffers a loss, directly or indirectly, from inadequate or failed internal processes, people, systems, or external events. Compliance personnel and senior management ensure that significant operational risks and the mitigation thereof, including appropriate control systems, are continually reviewed and where applicable, a corrective action plan is put in place.

Liquidity risk

The Group has in place a robust liquidity risk management framework for the management of all short, medium and long-term funding, and any liquidity management requirements. We manage liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Given the nature of our business, other than borrowings, the Group does not run any significant liquidity mismatches. Financial liabilities are, on the whole, short term and we have sufficient cash retained to cover all non-client and market liabilities. The Group manages its liquidity risk on funding by continuously assessing the Group's cash flow, forecasting forward, and horizon scanning to ensure that the Group maintains sufficient cash flow to repay both the principal and interest requirements as they fall due.

Economic conditions

The Group is broadly dependent on the health of the UK and global financial markets. The impact of poor economic conditions on our clients and the markets has the potential to adversely influence the Group's overall financial performance and prospects. Specific examples that could affect the Group include a reduced level of securities trading as well as a general decline in the value of AUA, as was the case when the COVID-19 pandemic initially occurred. The Group has a business model that seeks to minimise the impact of poor economic conditions by continually reviewing its cost base and, more importantly, by having a flexible remuneration structure in place which is geared to overall financial performance.

Client asset custody

The Group recognises that it has physical asset custody risk at Ravenscroft Precious Metals Limited. The Group insures against this risk and implements stringent controls around both the segregation of duties and the movement of bullion in order to mitigate this risk. A programme of independent counts are performed throughout the year, the final being performed by an external audit firm at the end of 2020 with nothing significant to report.

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2020

The Directors present their report on the consolidated financial statements of the Group for the year ended 31 December 2020. Ravenscroft Holdings Limited ("the Company") was registered in Guernsey on 4 May 2016 and is listed on The International Stock Exchange ("TISE"). Prior to the Group reorganisation in April 2018, Ravenscroft (CI) Limited ("RL-CI") (formerly Ravenscroft Limited) was the TISE listed holding company of the Group.

Principal activity

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

Directors

The Directors of the Company who held office during the current year and to the date of signing are as follows:

Current directors (collectively referred to as the "Directors" or "the Board")

S P Lansdown CBE
D C Jones
C D Barling
R A Hutchinson
R A Collenette (appointed 25 March 2021)
J R Ravenscroft
M L C Bousfield
B M O'Mahoney

Election and re-election of Directors

In accordance with the Company's Articles of Incorporation, the Directors are obliged to retire by rotation and are eligible for re-election at the third Annual General Meeting ("AGM") after their initial election. Any director appointed by the Board holds office only until the next AGM when they are eligible for re-election.

At the Company's AGM held on 16 June 2020, all of the Directors were re-elected to their respective roles.

Attendance at scheduled Company board meetings	Company Board Meetings
Total number of meetings in the year	**5**
J R Ravenscroft	
D C Jones	
B M O'Mahoney	
S P Lansdown CBE	
M L C Bousfield	
C D Barling	
R A Hutchinson	
R A Collenette*	-

*Richard was not appointed to the Board at the time Company board meetings were held.

Attendance at scheduled Committee meetings	Audit Commitee	Nomination Commitee	Remuneration Commitee
Total number of meetings in the year	**3**	**2**	**2**
D C Jones			
S P Lansdown CBE	n/a		
C D Barling			
R A Hutchinson			

Directors' interests in ordinary shares of Ravenscroft Holdings Limited

The current Directors had interests in the ordinary share capital of the Company as shown below:

	31 December 2020		31 December 2019	
	No. of shares	Interest	No. of shares	Interest
J R Ravenscroft [1]	1,710,317	11.53%	1,656,567	11.17%
D C Jones [2]	75,000	0.51%	75,000	0.51%
S P Lansdown CBE [3]	5,750,555	38.78%	3,836,410	25.87%
B M O'Mahoney [4]	290,063	1.96%	200,063	1.35%
M L C Bousfield [5]	478,517	3.23%	478,517	3.23%
R A Hutchinson	11,350	0.08%	11,350	0.08%
R A Collenette	1,200	0.01%	n/a	n/a

[1] These are held by TEMK Investments Limited, an investment company where the beneficial owners are Mr J and Mrs J Ravenscroft.
[2] 60,000 of these shares are held by Les Teurs Champs Investments Limited where the beneficial owner is Mr D Jones with the remaining 15,000 being held directly by Mr D Jones.
[3] These are held by Pula Investments Limited, an investment company where the beneficial owners are Mr S and Mrs M Lansdown.
[4] 12,500 of these shares are held by the Trustees of the Powerscourt RATS where the beneficial owner is Mr B O'Mahoney with the remaining 277,563 being held directly by Mr B O'Mahoney.
[5] 36,750 of these shares are held by the Trustees of the Bozz RATS where the beneficial owner is Mr M Bousfield with the remaining 441,767 being held directly by Mr M Bousfield.

Directors' interests in share options in Ravenscroft Holdings Limited

As at 31 December 2020, the current Directors had no interests in options over the ordinary shares in the Company.

Non-Executive Directors' remuneration

Each of the Non-Executive Directors have signed a letter of appointment with the Company setting out the terms of their appointment including their annual remuneration. Under the terms of these letters each director is entitled to receive annual remuneration of £40k per annum.

In addition to these fees, the Company reimburses all reasonable travel and other incidental expenses incurred by the Non-Executive Directors in the performance of their duties.

All remuneration of the Non-Executive Directors is in the form of annual remuneration and did not include any performance-related compensation.

Dividend

The Board declared a dividend of 15p per share in respect of the period 1 July 2020 to 31 December 2020 ("the 2020 H2 dividend") (2019 H2 dividend: 5.5p per share) to be paid on 20 April 2021. A dividend of 5.5p per share in respect of the period 1 January 2020 to 30 June 2020 ("the 2020 H1 dividend") (2019 H1 dividend: 5.5p per share) was declared by the Board, along with a special dividend of 4.5p per share in respect of the reduced 2019 H2 dividend. This results in a total annual dividend attributable to 2020 of 20.50p per share (2019: 15.5p per share).

Going concern

After making enquiries and reviewing the Group's forecasts and projections, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least the next 12 months from the date of approval of these consolidated financial statements. Forecast and projections included; reviewing repayment and servicing of borrowings, taking account of possible changes in trading performance and stress testing such performance given the current global pandemic. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Directors' and officers' liability insurance

The Group maintains liability insurance for the benefit of the Group's directors and officers.

Auditor

The independent Group auditor, PricewaterhouseCoopers CI LLP, has indicated its willingness to continue in office. A re-appointment resolution will be proposed at the Annual General Meeting.

Directors' responsibilities for the financial statements

The Directors are responsible for preparing financial statements for each financial year that give a true and fair view, in accordance with applicable Guernsey law and International Financial Reporting Standards as adopted by the European Union, of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing those financial statements, the Directors are required to:

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

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with The Companies (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the Directors are aware, there is no relevant audit information of which the Group's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

The maintenance and integrity of the Group's website is the responsibility of the Directors; the work carried out by the auditor does not involve consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may have occurred to the consolidated financial statements since they were initially presented on the website. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board of Directors on 6 April 2021 and signed on its behalf by:

Brian O'Mahoney
Director

Rob Hutchinson
Director

CORPORATE GOVERNANCE REPORT

YEAR ENDED 31 DECEMBER 2020

Introduction

The Board of Directors fully supports and adopts the highest standards of corporate governance and acknowledge the regulatory requirements in this area across the wider Group. However, while the Company is not subject to the Finance Sector Code of Corporate Governance (the "Code") issued by the Guernsey Financial Services Commission ("GFSC"), it has elected to follow the Code by way of best practice and recognises the regulatory requirements and responsibilities by which many of the Group entities are governed. It is the Board's opinion that throughout the year to 31 December 2020 the Group has complied fully with the principles set out in the Code.

The role of the Board

The Board holds quarterly board meetings and follows an annual corporate governance timetable, with a focus on strategic considerations and good corporate culture. Each director brings a broad range of relevant business experience to the Board, which is considered essential for the effective management of the Group. The Board is responsible for both the strategy and a clear governance structure, which appropriately reflects the demands and complexities of the external environment, the Group's core values and standards, risk appetite, internal controls and key policies. The Board also reviews financial performance, regulatory compliance, monitors key performance indicators, risk management processes and will regularly consider any matters of significance to the Group including but not limited to corporate activity.

The composition of the Board

The Board consists of three Executive and four Non-Executive Directors who each contribute a range of complementary skills, balance, knowledge and experience. Details of the individual Directors and their biographies are set out on pages 8 and 9.

Roles of Chairman and Group Chief Executive Officer

The roles of the Chairman and Group Chief Executive Officer are distinct, ensuring a clear segregation of authority and lines of responsibility at the most senior level within the Group.

Chairman

The Non-Executive Chairman is Stephen Lansdown CBE. He is responsible for the leadership of the Board and ensuring the running and management of the Board is effective. He is also responsible for the Board's oversight of the Group's affairs, which includes working with the Group Company Secretary to ensure that the Directors receive accurate and timely management information and that shareholders receive clear and effective communications. He also oversees the contributions of the Non-Executive Directors.

Group Chief Executive Officer, Group Managing Director and Group Finance Director

The Group Chief Executive Officer is Jon Ravenscroft. His responsibilities include the progress and development of objectives for the Group, as well as overseeing the executive leadership of the Group and ensuring that the Group's culture is aligned with its strategic ambitions and that those objectives are also aligned with those of the shareholders.

Mark Bousfield, as Group Managing Director, and Brian O'Mahoney, as Group Finance Director each support Jon in his role. Together, Mark and Brian are responsible for upholding the strong entrepreneurial culture of the Group, which is built on a diverse and collaborative working environment that fully embraces the strategic goals of the Board. Mark and Brian are also responsible for the day-to-day oversight of the Group's operations, managing the Group's risk exposure, implementing the Board's decisions and communicating with regulatory bodies.

A senior management team comprising of a number of key personnel across the Group and including the Chief Operating Officer & Head of Risk for the Group ably assists the Executive Directors.

Non-Executive Directors

As at 31 December 2020, the Board comprises of three Non-Executive Directors, together with the Non-Executive Chairman, who each bring independent judgement, knowledge and in-depth relevant experience to the Board.

The Board is of the opinion that each Non-Executive Director acts in an objective manner. The Board's opinion is determined by considering whether each Non-Executive Director is independent in character, thought and judgement. This is further determined by taking into account their conduct at Board and committee meetings, whether they, or any other Director, have any interests that may give rise to a potential or an actual conflict of interest and whether they always act in the best interests of the Group.

The Non-Executive Directors also scrutinise the performance of the Group's senior management team and monitor the reporting of performance in order to support the objectives of the Group.

Board meetings and information to the Board

Aside from the regular scheduled Board meetings, the Directors will attend ad-hoc meetings between these times to discuss the business of the Group and the Executive Directors are in regular contact with the Non-Executive Directors regarding any new developments.

During the year, there were five scheduled board meetings including a dedicated Strategy Day Meeting, which was held in January 2020, whereby the board was able to consider the Group's strategic framework and highlighted the following:

- how the Group's strategy interacted with the goals of the shareholders and other stakeholders;
- how the evaluation process has identified a clear understanding of the balance and skills needed by the Board to achieve the strategy;
- considerations for future board recruitment and succession planning;
- a review of the Group's risk appetite and approach to sustainability and environmental issues; and
- areas where information flow and management information could be improved on and agreed upon the procedures to remedy those specific areas.

Before each meeting the Board receives comprehensive papers and reports from across the Group to consider and the Directors are regularly updated with additional information between scheduled meetings. The Group maintains a conflicts of interest policy and register, and the Board has put in place a procedure to identify and address situations where conflicts of interest may arise and implement a programme of mitigation wherever necessary.

Board evaluation

The annual board evaluation is carried out by each director and seeks to identify areas for improvement and whether the Board has demonstrated the appropriate standards in practice, in line with the Code. Each director has taken part in a review process that analyses the individual and collective skills, expertise and independence required for the Group to achieve its objectives. Among other matters, the evaluation process challenges the Directors to consider if they have received appropriate management information, consider the Board's balance and composition, delegation, succession planning and if they have committed the required time to the Group in order for them to be able to discharge their responsibilities effectively.

Support to the Board

Ad-hoc meetings may also be held by the Board-appointed committees in order to provide additional support to the Board when deemed necessary. Any director wishing to do so may take independent professional advice at the expense of the Group and all Directors are able to consult the Group Company Secretary, who is responsible for supporting the Directors and ensuring that Board procedures have been followed throughout the year.

Board committees

The Board has established a number of supporting committees in line with the Code, to which it delegates certain authorities. These committees analyse and review specific issues and their activities and recommendations are considered by the Board at each quarterly Board meeting. The day-to-day management of the Group's business is delegated to the Executive Directors.

The Board has three committees and one management committee; namely the Audit Committee ("Audit-Co"), the Remuneration Committee ("Rem-Co"), the Nomination Committee ("Nom-Co") and the Risk Committee ("Risk-Co"), as described below. Each committee's *'Terms of Reference'* are regularly reviewed by the Board and clearly define each committee's role, responsibilities and duties. During the period, each committee of the Board has taken part in an evaluation process that analyses the individual and collective skills of the members and the performance of the committee to ensure that it is achieving its objectives in line with the committees' Terms of Reference.

The Board

- Sets Group strategy, risk appetite, core values and governance framework.
- Ensures that a strong cultural and ethical environment is upheld across the Group.
- Reviews performance in accordance with the financial and strategic objectives of the Group.
- Thoroughly evaluates the principal risks faced by the Group, and defines the risk management framework.
- Ensures effective engagement with shareholders.

<table>
<tr><th colspan="4">Committees of the Board</th></tr>
<tr><td>Audit-Co</td><td>Rem-Co</td><td>Nom-Co</td><td>Risk-Co</td></tr>
<tr><td colspan="4">Responsibilities</td></tr>
<tr>
<td>• Oversee the Group's financial reporting and advise the Board on whether the Annual Report is fair, balanced and understandable.
• Evaluate the appointment and independence of the auditor.
• Assess whether appropriate accounting policies have been adopted.
• To monitor the Group's risk management framework and internal controls.
• To receive reports from the Group Head of Risk to consider and make recommendations on any Group-wide risk management and control issues.</td>
<td>• Sets the Group's remuneration policy.
• Oversight of the remuneration of the Company's Executive Directors.
• To review the remuneration of the Group's senior management.
• Oversee the Group's EBT and share option plan, which provides long-term incentives to the employees.
• To ensure management rewards are aligned with those of shareholders.</td>
<td>• Recommend Board appointments and to review appointments to the subsidiaries of the Company.
• Advise the Board on the re-election and proposals of Directors at the Company's AGM.
• Review Board composition and oversees succession planning.
• Support the Chair in carrying out the Board evaluation each year.
• To review time required for Non-Executive Directors to adequately discharge their responsibilities.</td>
<td>• A management committee of the Board with delegated authority for Group-wide risk concerns.
• To assist the Board in the discharge of its responsibilities for the management of risk and compliance across the Group.
• To assist with the implementation of the Group's risk management framework.
• To consider the Group's compliance with all regulatory requirements and responsibilities by which it is governed.
• To report to the Audit-Co Chair and identify any Group-wide risk management or control issues.</td>
</tr>
<tr><td colspan="4">Membership</td></tr>
<tr>
<td>• Rob Hutchinson - Chair
• Chris Barling
• Dominic Jones</td>
<td>• Dominic Jones - Chair
• Chris Barling
• Rob Hutchinson
• Stephen Lansdown CBE</td>
<td>• Chris Barling - Chair
• Rob Hutchinson
• Dominic Jones
• Stephen Lansdown CBE</td>
<td>• Group Head of Risk - Chair
• Group Head of Compliance
• Group Legal in-house Counsel
• Group Chief Investment Officer
• Group Company Secretary and DPO
• Group Financial Controller
• Group Information Systems Manager
• A senior representative from each of the Group's core services and jurisdictions</td>
</tr>
</table>

Board committees (continued)

Further details of the scope and responsibilities of each of the committees are set out within the 'Terms of Reference' and are available upon request from the Group Company Secretary. Alternatively, they may be downloaded from the Group's website; www.ravenscroftgroup.com.

Audit Committee

The Audit-Co meets formally at least three times a year, plus additional ad hoc meetings when necessary. Other directors, members of staff and the external auditor may be invited by the Audit-Co chairman to attend these meetings, as deemed appropriate.

External auditor

The Audit-Co is responsible for making recommendations to the Board in relation to the appointment, re-appointment and removal of the external auditor. PricewaterhouseCoopers CI LLP was appointed as the Group's external auditor on 11 October 2013. There are currently no plans to re-tender. The Audit-Co receives and reviews audit plans and reports from the external auditor. It is standard practice for the external auditor to meet with the Chair and Audit-Co in private, without the Executive Directors present.

In assessing the effectiveness of the external audit process, the Audit-Co reviewed the overall performance and the independence of the external auditor, taking into account its regular dealings with the external auditor, the views of the management team, the cost effectiveness of the audit and the maintenance of objectivity. As part of the external auditor's independence procedures the previous engagement leader has rotated from the audit having served the maximum allowed in accordance with ethical standards. Accordingly, the Audit-Co are satisfied that this change is appropriate. The decision to recommend the re-appointment of the external auditor was based on the Audit-Co's monitoring of the external auditor's performance, behaviour and effectiveness during the exercise of its duties.

Safeguarding auditor objectivity and independence

The external auditor reports to the Audit-Co on its independence once a year during the audit planning stages. The Audit-Co and the Board consider that the approach taken by the external auditor in evaluating its independence from the Group is sufficiently comprehensive, covering regulatory, professional and relevant ethical requirements, and is in line with the non-audit services policy. However, the Audit-Co continues to review the fees charged for non-audit services and gives due consideration as to whether any additional work performed by the external auditor may potentially compromise its independence. The Audit-Co also gives due consideration to appointing other firms where it is felt that the impact of an assignment may compromise the independence of the external auditor.

For further details on remuneration paid to the external auditor for audit and non-audit services during the year ended 31 December 2020, see note 4 to the consolidated financial statements.

Financial reporting and significant financial issues

The Audit-Co assesses whether suitable accounting policies have been adopted and whether the management team has made appropriate estimates and judgements and provided adequate management information to the Audit-Co when considering these matters. The Audit-Co reviews reports from the external auditor that highlight any issues in respect of the work undertaken on the audit when looking at various risks and uncertainties faced by the Group, and, where necessary, accounting papers from the management team that provide details on the main financial reporting judgements.

Following a review of the reports from the external auditor and management team, and consulting where necessary with the external auditor, the Audit-Co is satisfied that the consolidated financial statements appropriately address the critical judgements and key estimates (both in respect of the amounts reported and the disclosures). The Audit-Co is also satisfied that the significant assumptions used for determining the value of assets and liabilities have been appropriately scrutinised, challenged and are sufficiently robust.

Internal control and risk management

The Board is responsible for identifying, evaluating and managing significant risks faced by the Group. It acknowledges that it is responsible for the Group's system of internal controls and for setting the control framework including financial, operational, contingency, compliance controls and risk management systems.

The Board reviews its 'Risk Appetite Statement' annually and has appointed the Risk-Co, chaired by the Head of Risk for the Group, to manage risk. The Risk-Co meets quarterly and reports to the Board via the Audit-Co. A dynamic tool is used to manage risk: the *'Risk Management Framework'* identifies risks and assesses the effectiveness of their controls. The Risk-Co discusses the top five highest risk/weakest control combination in order to decide what action could or should be taken to reduce the risk to an acceptable level.

The Head of Risk for the Group formally met with the Audit-Co and Chairman four times during the period and also attended each Group board meeting to provide a report on the effectiveness of the Group's systems and controls, in line with the Group's *'Risk Management Framework'*. Emerging risks, updates to the Group's operating systems and principal risks are presented to the Board for analysis.

The system of internal controls is designed to manage rather than eliminate the risk of failure to achieve business objectives and as such can only provide reasonable and not absolute assurances against material misstatement or loss. The Board, through the Audit-Co and the Risk-Co, regularly reviews the effectiveness of the system of internal controls. The Audit-Co regularly assesses the status of the Group's internal control framework and also considers how risks are identified, monitored, mitigated and reported throughout the Group.

Following these reviews, the Audit-Co agreed that the internal control framework continues to provide reasonable assurances that appropriate internal controls are in place. Accordingly, the Board confirms that throughout the year ended 31 December 2020 and up to the approval date of these financial statements, there had been an ongoing process of identifying, evaluating and managing significant risks faced by the Group.

Risk Committee

The Risk-Co is chaired by Andrew Courtney, the Group Head of Risk, and meets quarterly in order to review and monitor the risk management and regulatory compliance of the business. The Group Head of Risk reports directly to the Audit-Co Chairman and will highlight any Group-wide risk management and control issues that have been identified by the Risk-Co, which in turn the Audit-Co may escalate to the Board. Through this process, the Risk-Co has been able to identify a number of emerging risks to the Audit-Co, which have been addressed and mitigated effectively and expeditiously.

The Risk-Co is the internal control unit tasked with the review processes, risks and controls (prioritised by criticality) and can make recommendations to the Audit-Co and the Board on improvements. The Board is confident that all regulatory risks faced by the Group are appropriately identified and managed via the Risk-Co.

Remuneration Committee

Membership of the Rem-Co is limited to Non-Executive Directors and meets at least twice a year in order to ensure that it discharges its duties in determining the remuneration policy for the Group.

As well as oversight and consideration of the Executive Director's remuneration, the scope of the Rem-Co extends to the review of the Group's senior management. The Group maintains a policy to attract and retain individuals of the highest calibre and reward them appropriately, without encouraging excessive risk taking and to ensure staff rewards are aligned with those of shareholders. The Group's policy is to pay appropriate rewards only where it can be demonstrated that individual and team performances have increased the profitability of the business and the return to shareholders.

Nomination Committee

Membership of the Nom-Co is limited to the Non-Executive Directors and meets at least twice a year. The Nom-Co is responsible for leading the process of all board appointments, and providing oversight and support in respect of all other director appointments within the Group, noting that each regulated board is responsible for its own appointments.

Management Committee

During the period, the Board carried out a review in respect of the Group-wide responsibilities of the management committees, which led to a reorganisation of these structures. The Board is now assisted by a senior management team, which comprises of a number of key employees from across the Group, with a focus on supporting the Executive Directors and project management issues.

As part of this review, the existing Risk Committee was also expanded during the period to include a representative from all business sectors and jurisdictions across the Group.

Shareholder relations

The Group places a great deal of importance on communicating clearly and openly with its shareholders and providing them with transparent and adequate information to assist them in making informed decisions. The next Annual General Meeting ("AGM") is expected to be held on 24 June 2021, with any change to this to be communicated to shareholders in good time. Should shareholders have any queries in respect of the AGM they may contact the Group directly through its dedicated email address (IR@ravenscroftgroup.com) or by correspondence addressed directly to the Group Company Secretary.

In addition, the Group Chief Executive Officer and Chairman remain available for regular contact with the Group's investors throughout the year and are responsible for ensuring that shareholders' views are communicated to the wider Board.

This report was approved by the Board of Directors on 6 April 2021 and signed on its behalf by:

Brian O'Mahoney
Director

Rob Hutchinson
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAVENSCROFT HOLDINGS LIMITED

YEAR ENDED 31 DECEMBER 2020

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of Ravenscroft Holdings Limited (the "Company") and its subsidiaries (together "the Group") as at 31 December 2020, and of their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and have been properly prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2020;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of changes in equity for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated 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 are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Our audit approach

Overview

Audit scope

- The Group consists of 20 components, eight of which are considered financially significant for the year ended 31 December 2020; Ravenscroft Holdings Limited, Ravenscroft Investment Management Limited, Ravenscroft (CI) Limited, Ravenscroft Investments (UK) Limited, Ravenscroft Services Limited, Ravenscroft Cash Management Limited, Ravenscroft Specialist Fund Management Limited and Ravenscroft Precious Metals Limited. Other than Ravenscroft Precious Metals Limited, all financially significant components are subject to a full scope financial statement audit.
- The Group's primary locations of operation are in Guernsey, in Jersey via Ravenscroft (CI) Limited, in the United Kingdom via Ravenscroft Investments (UK) Limited and Ravenscroft (Bishops Stortford) Limited and in the Isle of Man via Ravenscroft (IOM) Limited. The Group's financial statements are a consolidation of the parent company and underlying subsidiaries which are an investment services business providing advisory investment, execution only trading, market making, discretionary investment management, institutional fund management, corporate services, cash management, property investment and precious metals dealing and storage, to private and institutional clients.
- We conducted audit procedures appropriate to all components based on the Group materiality outlined below.
- All of the audit work for the Group is undertaken and completed by PricewaterhouseCoopers CI LLP – Guernsey office ("PwC CI LLP").

Key audit matters

- Revenue recognition
- Business combinations – acquisition accounting
- Impact of COVID-19

Materiality

- Overall Group materiality: £302,200 (2019: £329,650) based on 5% of Group profit before tax.
- Performance materiality: £226,650.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
Revenue recognition Refer to the revenue recognition section of note 2. We focus on revenue recognition across the Group because it is material, is the primary determinant of the Group's profitability and one of the primary measures of performance communicated to investors. In addition, there is a further inherent risk of fraud in revenue recognition as revenue performance could impact the Company's share price and there are share incentive schemes in place for management. As in any organisation where there are incentives based on performance, there is an inherent risk of fraud in revenue recognition as there may be an incentive to overstate revenue. Revenue may also be misstated due to errors in automated calculations or manual processes. The automated calculations, trade and settlement systems have been outsourced to Pershing Limited, for which an ISAE 3402 controls report is completed annually.	We have assessed each revenue stream and determined the risk associated with that respective stream and responded to the risk as detailed below: **Transaction-based revenue streams** Broking and other commission fee-based revenue. We tested the revenue recognition for transaction-based revenue by performing the following procedures: • Obtained and evaluated Pershing Limited's ISAE 3402 controls report covering the underlying trade and settlement system; • performed walkthroughs of the key controls within the Pershing Limited's ISAE 3402 controls report and other relevant Group controls. Evaluating that these controls are appropriately designed and implemented; • for other key controls relevant to the Group, we have tested their operating effectiveness; • performed substantive testing, which included reconciling the reports produced by Pershing Limited's system to the underlying books and records of the Group; • substantively agreed a sample of trades posted on the trade and settlement systems to the underlying trade notices/ agreements to verify the respective inputs; and • agreed a sample of revenue transactions to subsequent cash receipts. **Manually calculated revenue streams** We substantively tested the investment management and related fees by performing the following procedures: • Agreed a sample of management fee rates to the original investment management agreements; • reperformed the management fee calculation based on the fee rates and net asset values sourced independently from the fund administrator; • tested a sample of other manually calculated revenue items by recalculating these items through the use of supporting evidence; and • agreed a sample of revenue transactions to subsequent cash receipts.

Key audit matter	How our audit addressed the Key audit matter
	As corporate services and other fees are contracted on a deal by deal basis, we agreed the corporate services and other fees back to source documentation for each specific corporate services deal on a sample basis determined in line with materiality, ensured that the contractual obligations to earn the revenue had been met, and we agreed the sample of revenue transactions to subsequent cash receipts. **All revenue streams** As part of our testing described above, we also ensured that revenue was recognised in the correct period and that the recognition criteria of IFRS 15 had been appropriately applied. In addition, we performed risk-based target testing of journals posted to revenue which did not follow the expected posting pattern, as this could be indicative of fraud or error. For those journals identified, we understood the nature of the journal and agreed the appropriateness of the journal with reference to supporting documentation. From our procedures performed, we have no matters to report with respect to revenue recognition.
Business combinations – acquisition accounting Refer to notes 7 and 8 for more details around the restatement of prior periods and the acquisitions made during 2020 respectively. We focused on the Group's business combinations and the associated goodwill and other intangible assets that are derived from the acquisition accounting for such transactions. The Group acquired 75% and 100% of the share capital of Ravenscroft (Bishops Stortford) Limited and Ravenscroft (IOM) Limited (respectively) in the current year. The purchase consideration for the current year acquisition was £5.2m above the book value, of which estimated £2.7m represented goodwill. The goodwill and other intangible assets brought forward have been restated following the re-evaluation made by the Group on the interpretation and application of the accounting standard IFRS 3: Business Combinations. Previously the Group had not allocated a portion of the purchase price to the identifiable intangible assets which meet the separability criteria in IFRS 3. The Group also acquired 75% of the share capital of Ravenscroft Investments (UK) Limited and 100% of the share capital of Ravenscroft Precious Metals Limited, Ravenscroft Cash Management Limited and Ravenscroft Custody Services Limited in previous periods. The purchase consideration for the previous years' acquisitions was £6.4m in excess of the net book value of net assets acquired. The Group's reassessment has led to the restatement of goodwill (£2.3m as restated) and the recognition of an amortisable intangible asset of £4.1m and accumulated amortisation of £0.4m as at 1 January 2019. This has been corrected by restating the 2019 comparative in the current year consolidated financial statements.	We have assessed each acquisition both during the year and those made in previous years to determine the appropriate recognition in line with IFRS 3 and responded as detailed below: • We obtained management's accounting judgement paper and challenged whether the valuations performed were appropriately accounted for in accordance with applicable financial reporting standards; • we considered and reviewed the appropriateness of the restatement and disclosures made by management and the Board in respect of the business combinations on the 2019 and 2020 financial periods; • we obtained the acquisition agreements and agreed the terms of the acquisition to that of our understanding built through inquiry with management; • we challenged management on the assumptions used in the valuation models and purchase price allocations. This included benchmarking against comparable market data. The most significant challenges were around attrition rates, useful economic life and future projections of revenue/ EBITDA margins; • we performed a sensitivity analysis on the key assumptions used in the valuation model, including useful economic life, projected future earning levels, growth rates; • we reconciled source data used in the models to the underlying accounting records; and • we have recalculated the purchase price allocation including the split between goodwill and other intangible assets. We also recalculated the amortisation per annum. Based on our procedures, we have not identified any matters to report with respect to business combinations.

Key audit matter	How our audit addressed the Key audit matter
Business combinations – acquisition accounting continued We focused on this area because significant judgement is involved in calculating the fair value of acquired assets and the allocation of the purchase price to customer contracts. Judgements arise from the fact that there are a number of assumptions included in the valuation model used to determine the fair values of customer contract intangible assets. These include estimates for the economic useful lives of the intangible assets, projected future earning levels, growth rates, client attrition rates and discount rates.	
Impact of COVID-19 The outbreak of the novel coronavirus (known as COVID-19) in many countries has rapidly evolved and the socio-economic impact has been unprecedented. It was declared a global pandemic by the WHO in March 2020 and has had a major impact on economies and financial markets. It has had a significant impact on global markets, causing disruption to supply chains and travel, slowing global growth and causing volatility in global markets and in exchange rates, to date. In order to assess the impact of COVID-19 on the business, management have updated their risk assessment and prepared an analysis of the potential impact on the revenues, profits, cash flows, operations and liquidity position of the Group for at least 12 months from date of signing. The analysis and related assumptions have been used by management in its assessment of the Group's going concern and viability. The most significant impact to the consolidated financial statements is the potential impairment of the carrying values of goodwill and other intangible assets. The Group had capital and reserves attributable to the equity holders of £24.4m at 31 December 2020 with a cash balance of £10.1m, to cover liquidity requirements. Having considered these models, the directors have prepared the consolidated financial statements of the Group on a going concern basis and believe this assumption remains appropriate from their evaluation of current and future operations of the Group. This conclusion is based on the assessment that, notwithstanding the significant market uncertainties, they are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future and that the Group has business continuity plans in place as a response to the impact on the wider financial markets.	We assessed the disclosures presented in the Annual Report in relation to COVID-19 by reading the other information and assessing its consistency with the consolidated financial statements and the evidence we obtained in our audit. In respect of going concern, we assessed the directors' going concern analysis in light of COVID-19 and obtained evidence to support the key assumptions used in preparing the going concern model, including assessing headroom within the base and downside case scenarios. We challenged the key assumptions used in preparing the analysis. We have evaluated the carrying value of the goodwill and other intangible assets derived from current and historic acquisitions. Further information is set out in "Business combinations" key audit matter detailed above. We obtained external confirmations of the cash balances held within the group as well as the credit facilities. Based on our procedures, we have not identified any matters to report with respect to both management's and the Board's considerations of the impact of COVID-19 on the current and future operations of the Group.

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 consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

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 consolidated financial statements as a whole.

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

Overall Group materiality	£302,200 (2019: £329,650)
How we determined it	5% of profit before tax
Rationale for the materiality benchmark	We have applied this benchmark based on our analysis of the common information needs of the users of the consolidated financial statements and as profit before tax is a key metric for measuring the financial performance of the Group.

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 £2,070 - £302,200 for overall materiality. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

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% of overall materiality, amounting to £226,650 for the Group 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 the Audit Committee that we would report to them misstatements identified during our audit above £15,110, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Reporting on other information

The directors are responsible for the other information. The other information comprises all the information included in the Annual Report & Consolidated Financial Statements 2020 (the "Annual Report") but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. 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.

Responsibilities for the consolidated financial statements and the audit

Responsibilities of the directors for the consolidated financial statements

As explained more fully in the Directors' Report, the directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, the requirements of Guernsey law and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group'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 to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern over a period of at least twelve months from the date of approval of the consolidated financial statements. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Use of this report

This independent auditor's report, including the opinions, has been prepared for and only for the members as a body in accordance with Section 262 of the Companies (Guernsey) Law, 2008 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.

Report on other legal and regulatory requirements

Company Law exception reporting

Under the Companies (Guernsey) Law, 2008 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit;
- proper accounting records have not been kept; or
- the consolidated financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

Adrian Peacegood
For and on behalf of PricewaterhouseCoopers CI LLP
Chartered Accountants
Guernsey, Channel Islands

7 April 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £'000	Restated[1] 2019 £'000
Revenue	2	**29,097**	**27,852**
Cost of sales		(4,124)	(3,527)
Gross profit		**24,973**	**24,325**
Administrative expenses	3	(16,998)	(16,806)
Depreciation and amortisation	10,11,19	(922)	(1,001)
Trading profit[2]		**7,053**	**6,518**
Amortised on acquired client relationships	10	(387)	(274)
Share based payments expense	21	(20)	(63)
Operating profit		**6,646**	**6,181**
Finance costs		(343)	(312)
Share of net (loss)/profit of associates and joint ventures accounted for using the equity method	12	(259)	450
Profit before taxation		**6,044**	**6,319**
Income tax expense	5	(258)	(214)
Profit for the financial year and total comprehensive income		**5,786**	**6,105**
Attributable to:			
Equity holders of the Company		5,654	6,021
Non-controlling interests	12	132	84
		5,786	**6,105**

Earnings per share attributable to the equity holders of the Company			
Basic	6	40.19p	43.19p
Diluted	6	39.91p	40.28p

All amounts shown in the consolidated financial statements are derived from continuing operations of the Group.

The notes on pages 38 to 70 form part of these consolidated financial statements.

[1] See note 7 for details regarding the prior period restatement.

[2] Trading profit is used by the Board to evaluate the performance of the Group.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

YEAR ENDED 31 DECEMBER 2020

	Notes	31 December 2020 £'000	Restated 31 December 2019 £'000	Restated 1 January 2019 £'000
Non-current assets				
Goodwill	7,9	5,058	2,309	2,309
Other intangible assets	7,10	10,004	6,132	4,842
Property, plant and equipment	11	6,449	6,597	6,383
Right-of-use assets	19	857	699	1,119
Investment in associates and joint ventures	12	377	2,825	2,775
Total non-current assets		**22,745**	**18,562**	**17,428**
Current assets				
Trading investments - long positions	13	359	199	286
Trade and other receivables	14	35,856	10,858	17,114
Inventory		11	15	26
Cash and cash equivalents	15	10,129	7,411	5,127
Total current assets		**46,355**	**18,483**	**22,553**
Total assets		**69,100**	**37,045**	**39,981**
Non-current liabilities				
Borrowings	16	7,094	5,979	6,364
Trade and other payables	17	772	-	-
Lease liabilities	19	615	630	838
Total non-current liabilities		**8,481**	**6,609**	**7,202**
Current liabilities				
Trade and other payables	17	32,722	10,534	15,432
Tax payable	5	337	231	230
Borrowings	16	698	448	386
Lease liabilities	19	485	281	281
Provisions	18	413	-	-
Total current liabilities		**34,655**	**11,494**	**16,329**
Total liabilities		**43,136**	**18,103**	**23,531**
Net assets		**25,964**	**18,942**	**16,450**
Equity				
Called up share capital	20	148	140	140
Share premium account		15,018	11,291	10,918
Reserves		9,156	6,982	4,947
Capital and reserves attributable to equity holders of the Company		**24,322**	**18,413**	**16,005**
Non-controlling interests	12	1,642	529	445
Total equity		**25,964**	**18,942**	**16,450**

The consolidated financial statements were approved by the Board of Directors on 6 April 2021 and signed on its behalf by:

Brian O'Mahoney
Director

Rob Hutchinson
Director

The notes on pages 38 to 70 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £'000	Restated 2019 £'000
Cash flows from operations			
Operating profit		6,646	6,181
Adjustments for:			
Depreciation and amortisation	10,11,19	1,309	1,036
Write-off of assets	11	-	59
Impairment of right-of-use assets	19	-	180
Lease liability payments	19	(329)	(281)
Share based payment expense	21	20	63
Operating cash flows before movements in working capital		**7,646**	**7,238**
(Increase)/decrease in trading investments		(160)	87
(Increase)/decrease in receivables		(24,998)	6,267
(Increase)/decrease in inventories		4	11
Increase/(decrease) in provisions		413	-
Increase/(decrease) in payables		22,960	(4,898)
Cash generated by operations		**5,865**	**8,705**
Interest paid		(261)	(224)
Taxation paid	5	(152)	(241)
Net cash generated from operating activities		**5,452**	**8,240**
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	8	(3,522)	-
Disposal of associate	12	1,090	-
Dividends received from associates	12	-	401
Purchase of intangible assets	10	(1,642)	(1,742)
Purchase of property, plant and equipment	11	(259)	(941)
Disposals of property, plant and equipment	11	-	325
Net cash used in investing activities		**(4,333)**	**(1,957)**
Cash flows from financing activities			
Acquisition of own shares subsequently held in treasury	22	(980)	(1,072)
Award of own shares held in treasury and write-off of EBT loan	22	(11)	(323)
Proceeds from vesting of share options		3,380	373
Proceeds from/(repayments of) borrowings	16	1,365	(323)
Dividends paid		(2,155)	(2,654)
Net cash inflow/(outflow) from financing activities		**1,599**	**(3,999)**
Net increase in cash and cash equivalents		**2,718**	**2,284**
Cash and cash equivalents at the beginning of the year		**7,411**	**5,127**
Net cash and cash equivalents at the end of the year		**10,129**	**7,411**
Represented by:			
Cash and cash equivalents		10,129	7,411
Total cash and cash equivalents		**10,129**	**7,411**

The notes on pages 38 to 70 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2020

	Notes	Called up share capital £'000	Share premium account £'000	Reserves £'000	Total attributable to equity holders of the Company £'000	Non-controlling interests £'000	Total equity £'000
At 1 January 2019 (pre-adjustment)		**140**	**10,918**	**5,343**	**16,401**	**445**	**16,846**
Adjustment on restatement	7	-	-	(396)	(396)	-	(396)
At 1 January 2019 (Restated)		**140**	**10,918**	**4,947**	**16,005**	**445**	**16,450**
Total comprehensive income for the year		-	-	6,021	6,021	84	6,105
Own shares purchased in the year	22	-	-	(1,072)	(1,072)	-	(1,072)
Own shares awarded in the year	22	-	-	627	627	-	627
Exercise of share options		-	373	-	373	-	373
Write-off of EBT loan directly to equity		-	-	(950)	(950)	-	(950)
Credit to equity for equity-settled share based payments	21	-	-	63	63	-	63
Dividends paid		-	-	(2,654)	(2,654)	-	(2,654)
At 31 December 2019 (Restated)		**140**	**11,291**	**6,982**	**18,413**	**529**	**18,942**
Total comprehensive income for the year		-	-	5,654	5,654	132	5,786
Own shares purchased in the year	22	-	-	(980)	(980)	-	(980)
Own shares awarded in the year	22	-	-	145	145	-	145
Shares issued on exercise of share options		8	3,185	-	3,193	-	3,193
Exercise of share options		-	542	(354)	188	-	188
Write-off of EBT loan directly to equity		-	-	(156)	(156)	-	(156)
Further investment by non-controlling interests		-	-	-	-	981	981
Credit to equity for equity-settled share based payments	21	-	-	20	20	-	20
Dividends paid		-	-	(2,155)	(2,155)	-	(2,155)
At 31 December 2020		**148**	**15,018**	**9,156**	**24,322**	**1,642**	**25,964**

The notes on pages 38 to 70 form part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

1. Basis of preparation

This section sets out our significant accounting policies that relate to the Group's consolidated financial statements as a whole. Where an accounting policy is generally applicable to a specific note to the financial statements, the policy is described within that note.

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

Ravenscroft Holdings Limited was registered in Guernsey on 4 May 2016 and is listed on The International Stock Exchange ("TISE"). Prior to the Group reorganisation on 23 April 2018 Ravenscroft (CI) Limited ("RL-CI") (formerly Ravenscroft Limited) was the TISE listed holding company of the Group. The Company was dormant from its registration until the Group reorganisation on 23 April 2018.

The consolidated financial statements of the Group have been prepared on a going concern basis in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). The Company has prepared consolidated financial statements complying with Section 244 of the Companies (Guernsey) Law, 2008; as a result there is no requirement to prepare individual financial statements for the Company on a stand-alone basis.

Accounting estimates, assumptions and judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are outlined later in these notes. In particular the fair value of the goodwill and customer relationships as outlined in notes 9 and 10, expected useful life of intangible assets as outlined in note 10, expected useful life of property, plant and equipment as outlined in note 11, provisions for deferred contingent consideration as outlined in note 18 and share based payment option schemes as outlined in note 21.

Going concern

After making enquiries and reviewing the Group's forecasts and projections, the Board of Directors (the "Directors" or "the Board") have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least the next 12 months from the date of approval of these consolidated financial statements. Forecast and projections included; reviewing repayment and servicing of borrowings, taking account of possible changes in trading performance and stress testing such performance given the current global pandemic. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Adoption of new and revised standards

The accounting policies used in arriving at these consolidated financial statements are consistent with those followed in the preparation of the Group annual consolidated financial statements for the year ended 31 December 2019 which were prepared in accordance with IFRS.

During the year, the Group re-evaluated it's interpretation and application of accounting standards, which has resulted in a restatement of prior periods. Further details of this are disclosed in note 7.

Accounting convention

These consolidated financial statements have been prepared on a historical cost basis except where stated otherwise below. The methods used to measure fair value are further disclosed in note 24.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company, entities controlled by the Company (its subsidiaries as disclosed in note 12), investments in associates and employee benefit trusts (as disclosed in note 22) which all have coterminous period ends. Control is achieved when 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 investee entity so as to benefit as a result.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective point of acquisition or up to the effective date of disposal, as appropriate.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. 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 comprehensive income, consolidated statement of financial position and consolidated statement of changes in equity respectively.

Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in pounds sterling (£). This is the currency of the countries where the Company and its subsidiaries are incorporated and predominantly trade and is therefore the Group's functional and presentational currency.

Transactions and balances

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the consolidated statement of financial position date are reported at the rates of exchange prevailing at that date. Gains and losses arising during the year on transactions denominated in foreign currencies are treated as normal items of income and expenditure in the consolidated statement of comprehensive income.

Client money

The Group holds money on behalf of its clients in accordance with the client money rules of the Guernsey Financial Services Commission ("GFSC") and the Jersey Financial Services Commission ("JFSC") through its wholly owned non-trading subsidiary, Huntress (CI) Nominees Limited. The client monies of Ravenscroft Investments (UK) Limited (formerly A Vartan Limited) and Ravenscroft (Bishops Stortford) Limited are held with their trading platform service providers in accordance with the client money rules of the Financial Conduct Authority ("FCA"). The client money of Ravenscroft (IOM) Limited is held with its trading platform service provider in accordance with the client money rules of the Isle of Man Financial Services Authority ("IOMFSA"). Such money and the corresponding liabilities to clients are not shown on the face of the consolidated statement of financial position as neither the Company nor its subsidiaries have beneficial entitlement. The net return received by the Group on managing client money is included within revenue.

Inventories

Inventories are valued at the lower of cost or net realisable value. No allowance is made for obsolete and slow moving items as the inventory consists entirely of bullion held for trading purposes by Ravenscroft Precious Metals Limited.

Dividend

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity on or before the end of the reporting period but not distributed at the end of the reporting period.

2. Segment information

The Group has clearly defined service lines which are spread across a number of jurisdictions. Selected financial data is presented on this basis below.

Accounting policies

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts.

Revenue comprises recurring revenue of custody fees, investment management fees, corporate services advisory fees and interest turns on deposits which are taken to the consolidated statement of comprehensive income when the services have been performed. Custody fees, investment management fees and interest turns on deposits are accounted for on an accruals basis based on agreed rates and the value of the assets under administration. Corporate services advisory fees are accounted for in accordance with the contractual arrangements and obligations in place.

Revenue also comprises non-recurring revenue derived from commission income receivable in respect of stockbroking and corporate services activities, which are accounted for at the trade date.

Segment reporting

In identifying its operating segments, the Board (as the chief operating decision maker) generally follows the Group's service lines, which represent the main services provided by the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the Board.

Segment information

The Board currently identifies the Group's reportable segments as follows:

- the Channel Islands broking segment provides private client and institutional stockbroking services along with market making services in Guernsey and Jersey;
- the United Kingdom and Isle of Man broking segments provide private client and institutional broking services in their respective jurisdictions;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2020

2. Segment information continued

Segment reporting continued

- the investment management segment provides private client investment management and institutional fund management services;
- the corporate services segment provides corporate services in Guernsey;
- the precious metals segment provides dealing, secure custody and internet trading services in bullion; and
- the cash management segment provides discretionary cash management services.

Management monitors the operating results of business segments separately for the purpose of making decisions on resource allocation and assessing performance. Segment performance is evaluated based on trading profit or loss. Finance income, finance costs and income taxes are managed on a location basis.

Revenues, costs, assets and liabilities that are not directly attributable to the business activities of any operating segment are classified as unallocated. In the financial period under review, this applies to the Group's services company, Ravenscroft Services Limited, the Group's holding company, and the share of net profit from associates and joint ventures. Non-current assets for this purpose consist of intangible assets and property, plant and equipment. Any transactions between the segments have been eliminated as part of the consolidation.

Operating segment information for the period ended 31 December 2020:

	Broking revenue £'000	Investment management revenue £'000	Corporate services revenue £'000	Precious metals revenue £'000	Cash management revenue £'000	Total revenue £'000	Trading profit/ (loss)[1] £'000	Operating profit/ (loss) £'000	Profit/ (loss) for the year £'000
Channel Islands	9,545	6,396	6,062	656	2,474	25,133	6,387	5,980	5,280
United Kingdom[2]	2,546	973	-	-	-	3,519	683	683	528
Isle of Man[2]	445	-	-	-	-	445	(17)	(17)	(22)
Group	**12,536**	**7,369**	**6,062**	**656**	**2,474**	**29,097**	**7,053**	**6,646**	**5,786**

1 This represents operating profit before share based payments expense and client relationship amortisation. Refer to the business and financial review on page 11 for the calculation of trading profit. Trading profit is used by the Board to evaluate the performance of the Group.

2 United Kingdom includes Ravenscroft (Bishops Stortford) Limited figures from 14 February 2020. Isle of Man includes Ravenscroft (IOM) Limited figures from 21 August 2020.

Operating segment information for the period ended 31 December 2019:

	Broking revenue £'000	Investment management revenue £'000	Corporate services revenue £'000	Precious metals revenue £'000	Cash management revenue £'000	Total revenue £'000	Trading profit[1] £'000	Restated operating profit £'000	Restated profit for the year £'000
Channel Islands	8,051	5,504	7,718	550	3,472	25,295	6,070	5,733	5,736
United Kingdom	2,557	-	-	-	-	2,557	448	448	369
Group	**10,608**	**5,504**	**7,718**	**550**	**3,472**	**27,852**	**6,518**	**6,181**	**6,105**

1 This represents operating profit before share based payments expense and client relationship amortisation. Refer to the business and financial review on page 11 for the calculation of trading profit. Trading profit is used by the Board to evaluate the performance of the Group.

2. Segment information continued

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

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

Operating segment assets/(liabilities) for the period ended 31 December 2019:

	Non-current assets £'000	Current assets £'000	Total assets £'000	Non-current liabilities £'000	Current liabilities £'000	Total liabilities £'000
Channel Islands	16,622	17,594	34,216	6,654	11,845	18,499
United Kingdom	1,940	889	2,829	(45)	(351)	(396)
Group	**18,562**	**18,483**	**37,045**	**6,609**	**11,494**	**18,103**

3. Administrative expenses

The Group's administrative expenses are categorised by the list defined below. The most significant administrative expense category relates to personnel costs.

Accounting policies

Employee benefits

Liabilities relating to employee services rendered during the year and expected to be settled within 12 months after the period-end date are included in administrative expenses. These costs are measured at the amounts expected to be paid. The liabilities are presented as accrued expenses in the consolidated statement of financial position.

Administrative expenses

	31 December 2020 £'000	31 December 2019 £'000
Personnel costs	12,659	12,622
Legal & professional fees	791	664
Premises	457	443
Information technology costs	892	845
Travel & entertainment	176	531
Marketing	622	578
Information research	601	333
Sundry expenses	800	790
Total administrative expenses	**16,998**	**16,806**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2020

4. Auditor's remuneration

The Group's audit fees for the year are detailed separately in this note.

	31 December 2020 £'000	31 December 2019 £'000
Fees payable to the auditor for the audit of the Group's annual financial statements	28	77
Fees payable to the auditor for the audit of the Company's subsidiaries	121	65
Total audit fees	**149**	**142**
Other services:		
Half year review	-	20
Total non-audit fees	**-**	**20**
	149	**162**

5. Taxation

This note explains how our Group tax charge arises. The Group experiences tax charges on specific revenue streams from the jurisdictions it operates in.

Accounting policies

Taxation

The tax expense for the period comprises current and deferred tax. The income tax expense for the year is the tax payable on the current year'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's subsidiaries 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. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

The Company and its Guernsey subsidiaries are taxed at the standard Guernsey rate of income tax of 0%. Guernsey income tax has been accrued for at 10% on the profits derived from the income from the provision of investment management services to individual clients. The Jersey branch is taxed in Jersey at the rate applicable to financial services companies of 10%. Ravenscroft Investments (UK) Limited ("RIL-UK") and Ravenscroft (Bishops Stortford) Limited ("RBSL") are both taxed at the standard rate of corporation tax in the UK being 19%. Ravenscroft (IOM) Limited ("RL-IOM") is taxed at the standard rate of corporation tax in the Isle of Man of 0%.

The Company and its Guernsey subsidiaries are required to deduct or account for tax at the difference between the tax suffered by the Company and the shareholders' individual rate of 20% in respect of dividends and revert that tax over to the Director of Income Tax in respect of Guernsey resident individual shareholders.

5. Taxation continued

Deferred tax

Deferred 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 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 or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively 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 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 liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when 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 the consolidated statement of comprehensive income, 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.

Taxation

Tax payable

	31 December 2020 £'000	31 December 2019 £'000
Income tax payable		
Guernsey tax charge	129	56
Jersey tax charge (based on Jersey branch profits)	62	62
UK corporation tax charge	146	113
Total income tax payable	**337**	**231**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2020

5. **Taxation** continued

Analysis of the tax charge

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

	31 December 2020 £'000	31 December 2019 £'000
Guernsey income tax on profits from the provision of investment management fees on individual client services	55	59
Jersey tax charge (based on Jersey branch profits)	60	76
UK corporation tax charge	143	79
Total income tax expense	**258**	**214**

Reconciliation of tax paid in the year

	31 December 2020 £'000	31 December 2019 £'000
Opening income tax payable	231	230
UK corporation tax finalisation post 2018 Group financial statements sign-off	-	28
Income tax expense	258	214
Closing income tax payable	(337)	(231)
Taxation paid	**152**	**241**

6. Earnings per share

Basic earnings per share is the amount of profit generated for the financial year attributable to equity shareholders divided by the weighted average number of shares in issue during the year.

Accounting policies

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to the 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 and excluding treasury shares.

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 weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares from the Group's existing employee benefit schemes.

6. Earnings per share continued

Earnings per share

	31 December 2020 £'000	Restated 31 December 2019 £'000
Earnings		
Earnings for the purpose of basic and diluted earnings per share (net profit attributable to equity holders of the parent)	5,654	6,021
Number of shares	**No.**	**No.**
Weighted average number of shares for the purpose of basic earnings per share	14,067,054	13,940,736
Basic EPS (pence)	**40.19**	**43.19**
Effect of dilutive potential of ordinary shares	100,000	1,007,750
Weighted average number of shares for the purposes of diluted earnings per share	14,167,054	14,948,486
Diluted EPS (pence)	**39.91**	**40.28**

The dilution in both years is a reflection of the future potential exercise of share options. As at the year end date all outstanding share options have a dilutive effect as they were in the money, as the then price of the Company's shares exceeded the exercise prices (see note 21).

7. Restatement of prior periods

This note details how the Group has re-evaluated its interpretation and application of accounting standards, which has resulted in a restatement of prior periods.

As a result of current period acquisitions, the Group has re-evaluated its interpretation and application of the accounting standard associated with business combinations. Under IFRS 3: Business Combinations, an entity is required to recognise and measure all identifiable intangible assets. Previously the Group had not allocated a portion of the purchase price to the customer relationships acquired (which do meet the separability criterion of IFRS 3: Business Combinations). This was previously allocated in its entirety to goodwill, which is not amortised.

The Group's reassessment has led to the recognition of an amortisable intangible asset, with the corresponding reduction in carrying value of goodwill. These acquired client relationships (see note 10) are now being amortised over their estimated useful lives. This is a non-cash adjustment and does not impact trading profits, dividend decisions or share price.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2020

7. Restatement of prior periods continued

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

Statement of financial position:

	31 December 2019 £'000	Adjustment £'000	Restated 31 December 2019 £'000	1 January 2019 £'000	Adjustment £'000	Restated 1 January 2019 £'000
Goodwill	6,400	(4,091)	2,309	6,400	(4,091)	2,309
Acquired client relationships:						
Cost	-	4,091	4,091	-	4,091	4,091
Accumulated amortisation	-	(670)	(670)	-	(396)	(396)
Net book value	-	3,421	3,421	-	3,695	3,695
Other intangible assets	2,711	3,421	6,132	1,147	3,695	4,842
Net assets	**19,612**	**(670)**	**18,942**	**16,846**	**(396)**	**16,450**
Reserves	7,652	(670)	6,982	5,343	(396)	4,947
Total equity	**19,612**	**(670)**	**18,942**	**16,846**	**(396)**	**16,450**

Statement of comprehensive income:

	2019 £'000	Adjustment £'000	Restated 2019 £'000
Amortisation on acquired client relationships	-	(274)	(274)
Operating profit	6,455	(274)	6,181
Profit before taxation	6,593	(274)	6,319
Profit for the period and total comprehensive income	**6,379**	**(274)**	**6,105**
Attributable to:			
Equity holders of the Company	6,295	(274)	6,021

Basic and diluted earnings per share for the period have also been restated. The amount of the correction for basic and diluted earnings per share was a decrease of 1.96p and 1.83p per share respectively.

The correction further affected operating profit and profit for the year amounts disclosed in note 2.

8. Business combinations

The Group made two strategic acquisitions during the year. One business based in the UK and the other in the Isle of Man.

Summary of acquisition of Ravenscroft (Bishops Stortford) Limited (formerly Tees Investment Management Limited)

On 14 February 2020, RIL-UK acquired 100% of the issued share capital and voting rights of Ravenscroft (Bishops Stortford) Limited ("RBSL"), a private limited company incorporated in England that provides investment management services. On the same day, the Company and minority shareholder Mr Andrew Vartan subscribed for additional shares in RIL-UK, resulting in each maintaining their existing ownership percentages of 75% and 25% respectively.

Initial cash consideration of £3.6m was paid on closing with £1.6m of deferred consideration due to be paid over the following two years.

The preliminary purchase price, determined by the fair value of the consideration given at the date of the acquisition and the fair value of the net assets acquired on the date of the acquisition, was as follows:

Fair value of purchase consideration

	£'000
Initial consideration	3,594
Deferred consideration	1,585
Total purchase consideration	**5,179**
Net assets acquired:	
Net assets of RBSL	-
Identifiable intangible assets	2,470
Less fair value of net identifiable assets upon acquisition	(2,470)
Goodwill on acquisition	**2,709**

On acquisition date, acquired client relationships of RBSL totalling £2.47m were capitalised as part of the business combination, which were recognised as separately identifiable intangible assets (see note 10) in the consolidated statement of financial position.

Summary of acquisition of Ravenscroft (IOM) Limited (formerly WH Ireland (IOM) Limited)

On 21 August 2020, Ravenscroft Holdings Limited ("RHL") acquired 100% of the issued share capital and voting rights of Ravenscroft (IOM) Limited ("RL-IOM"), a private limited company incorporated in the Isle of Man that provides investment management services.

Initial cash consideration of £250k was paid on closing with £413k of deferred contingent consideration due to be paid over the following year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2020

8. Business combinations continued

The preliminary purchase price, determined by the fair value of the consideration given at the date of the acquisition and the fair value of the net assets acquired on the date of the acquisition, was as follows:

Fair value of purchase consideration

	£'000
Initial consideration	250
Deferred contingent consideration	413
Total purchase consideration	**663**
Net assets acquired:	
Net assets of RL-IOM	284
Identifiable intangible assets	339
Less fair value of net identifiable assets upon acquisition	(623)
Goodwill on acquisition	**40**

On acquisition date, acquired client relationships of RL-IOM totalling £339k were capitalised as part of the business combination, which were recognised as separately identifiable intangible assets (see note 10) in the consolidated statement of financial position.

The above amounts included in the purchase price allocation are preliminary. The purchase price contains an estimate in relation to the amount of deferred contingent consideration, which was made by management at the time of the preparation of these consolidated financial statements based on available information. An amendment may be made to this amount. Values based on estimates are subject to changes during the period ending 12 months after the acquisition date.

For further information on the nature, timing and likelihood of the deferred contingent consideration, see note 18.

9. Goodwill

Goodwill is an intangible asset which arises when the purchase price exceeds net identifiable assets on acquisition of another entity. It represents items which are not presented separately in the financial statements, such as synergies and brand recognition.

Accounting policies

Goodwill

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill has an indefinite useful life and is not subject to amortisation but it is assessed 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.

9. Goodwill continued

Impairment of assets

Goodwill is not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. Any impairment of assets are recognised in the consolidated statement of comprehensive income under administrative expenses.

Goodwill

Reconciliation of goodwill

	31 December 2020 £'000	Restated 31 December 2019 £'000
Opening balance	2,309	2,309
Additions	2,749	-
Closing balance	**5,058**	**2,309**

For a breakdown of additions, see note 8.

10. Other intangible assets

The Group holds significant intangible assets, mainly in relation to acquired client relationships and internally generated software. Client relationships are amortised over their expected life as clients of the Group. Purchased and developed software is amortised over is its expected useful life or duration of the relevant licence.

Accounting policies

Other intangible assets

Software

Intangible assets relating to software are stated at cost less provisions for amortisation and impairments. Amortisation is provided at rates calculated to write off the cost, less the estimated residual value, of each asset evenly over its estimated useful life as follows:

Purchased software and software development	5 years
Software licences	Life of the licence

The carrying values of intangible assets are subject to annual review and any impairment is charged to the consolidated statement of comprehensive income.

An internally generated intangible asset arising from the Group's software development is recognised only if all of the following conditions are met:

- an asset is created that can be identified;
- it is probable that the asset created will generate future economic benefits; and
- the development cost of the asset can be measured reliably.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2020

10. Other intangible assets continued

Software continued
Where no intangible asset can be recognised, software development expenditure is recognised in the consolidated statement of comprehensive income as an expense in the period in which it is incurred.

Included in other intangible assets recorded in the consolidated statement of financial position are capitalised costs from the development and tailoring of a new operational and systems platform which is in the development phase. There were also additions to the existing system, which is modular in nature therefore, as and when each module of the system is fully developed and commissioned, the capitalised cost associated with that module will begin to be amortised.

Acquired client relationships
Intangible assets relating to acquired client relationships represent the fair value of future benefits accruing to the Group from such client relationships. The amortisation of client relationships is charged to the consolidated statement of comprehensive income on a straight line basis over their estimated useful lives (10-25 years).

Other intangible assets

	Acquired client relationships £'000	Software licences, purchased software and software development £'000	Total £'000
Cost:			
As at 1 January 2019[1]	4,091	1,966	6,057
Additions	-	1,742	1,742
At 31 December 2019[1]	**4,091**	**3,708**	**7,799**
Additions	-	1,642	1,642
Additions on acquisitions of subsidiaries at fair value	2,809	-	2,809
At 31 December 2020	**6,900**	**5,350**	**12,250**
Amortisation:			
As at 1 January 2019[1]	(396)	(819)	(1,215)
Charge for the year[1]	(274)	(178)	(452)
At 31 December 2019[1]	**(670)**	**(997)**	**(1,667)**
Charge for the year	(387)	(192)	(579)
At 31 December 2020	**(1,057)**	**(1,189)**	**(2,246)**
Carrying amount:			
At 31 December 2019[1]	**3,421**	**2,711**	**6,132**
At 31 December 2020	**5,843**	**4,161**	**10,004**

Included above are assets with a book cost of £737k which have been fully depreciated at the year end (2019: £599k) that are still in use.

[1] Figures disclosed have been restated in accordance with the information disclosed in note 7.

11. Property, plant and equipment

Property, plant and equipment represents tangible fixed assets that the Group holds. The most significant holding relates to ownership of the Group's office headquarters. All assets are depreciated over their useful lives.

Accounting policies

Property, plant and equipment

Property, plant and equipment are stated at historical cost, net of accumulated depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its estimated useful life as follows:

Land and buildings	25 years
Fixtures and fittings	3 - 5 years
Office equipment	3 years
Communications equipment	3 years
Leasehold improvements	5 - 10 years

The carrying values and residual values of property, plant and equipment are subject to annual review and any impairment is charged to the consolidated statement of comprehensive income.

Property, plant and equipment

	Land & buildings £'000	Office equipment £'000	Fixtures and fittings £'000	Communications equipment £'000	Leasehold improvements £'000	Total £'000
Cost:						
As at 1 January 2019	6,002	552	311	42	435	7,342
Additions	494	103	240	104	-	941
Disposals	(325)	-	(19)	(21)	(309)	(674)
As at 31 December 2019	**6,171**	**655**	**532**	**125**	**126**	**7,609**
Additions	38	153	43	13	12	259
Acquired in business combinations	-	5	23	-	52	80
As at 31 December 2020	**6,209**	**813**	**598**	**138**	**190**	**7,948**
Depreciation:						
As at 1 January 2019	-	(493)	(188)	(9)	(268)	(958)
Charge for the year	(139)	(43)	(102)	(33)	(27)	(344)
Disposals	-	-	19	21	250	290
At 31 December 2019	**(139)**	**(536)**	**(271)**	**(21)**	**(45)**	**(1,012)**
Charge for the year	(169)	(88)	(121)	(48)	(19)	(445)
Acquired in business combinations	-	(4)	(14)	-	(24)	(42)
At 31 December 2020	**(308)**	**(628)**	**(406)**	**(69)**	**(88)**	**(1,499)**
Net Book Value:						
At 31 December 2019	**6,032**	**119**	**261**	**104**	**81**	**6,597**
At 31 December 2020	**5,901**	**185**	**192**	**69**	**102**	**6,449**

Included above are assets with a book cost of £600k which have been fully depreciated at the year end (2019: £556k) that are still in use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2020

12. Interests in other entities

The holdings in companies within the Group are detailed in this note.

Accounting policies

Investment in associates

Investments in associates are accounted for using the equity method of consolidation, after initially being recognised at cost in the consolidated statement of financial position, in accordance with IFRS 11: Joint Arrangements.

Accounting 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. For the non-controlling interest in RIL-UK, the Group elected to recognise the non-controlling interest at its proportionate share of the acquired net identifiable assets.

Interests in other entities

Subsidiaries

The Group has investments in the following principal subsidiary undertakings:

Name of entity	Country of registration	Principal activity	% held by Group companies 2020
Huntress (CI) Nominees Limited	Guernsey	Nominee company	100%
Ravenscroft (CI) Limited [1]	Guernsey	Provision of investment services	100%
Ravenscroft Investment Management Limited	Guernsey	Provision of investment services	100%
Ravenscroft Services Limited	Guernsey	Services company	100%
Ravenscroft Investments (UK) Limited [2]	England & Wales	Provision of investment services	75%
Ravenscroft (Bishops Stortford) Limited [3]	England & Wales	Provision of investment services	75% [3]
Ravenscroft Precious Metals Limited	Guernsey	Provision of precious metal investment services	100%
Ravenscroft Property Holdings Limited	Guernsey	Property holding company	100%
Ravenscroft Cash Management Limited	Guernsey	Provision of discretionary cash management services	100%
Ravenscroft Custody Services Limited	Guernsey	Provision of custody services	100%
Ravenscroft Capital Limited	Guernsey	Holding company	100%
Ravenscroft Project Management Limited	Guernsey	Provision of project management services	100%
Ravenscroft Specialist Fund Management Limited	Guernsey	Provision of fund management services	100%
Ravenscroft Consultancy and Listing Services Limited	Guernsey	Provision of corporate services	100%
Ravenscroft (IOM) Limited	Isle of Man	Provision of investment services	100%

These companies have been consolidated in the Group's consolidated financial statements. Unless otherwise stated the country of incorporation or registration is also their principal place of business.

[1] Formerly Ravenscroft Limited.

[2] Formerly A Vartan Limited.

[3] Formerly Tees Investment Management Limited. Holding stated as 75% as 100% held via Ravenscroft Investments (UK) Limited.

12. Interests in other entities continued

Associates

As at 31 December 2020 the Group has investments in the following associates:

Name of entity	Country of registration	Principal activity	% held by Group companies 2020
D2 Real Estate Holdings Limited	Jersey	Provision of real estate management services	36%

The associates have been consolidated in the Group's consolidated financial statements using the equity method. During the period there was a reduction in the Company's ownership held in D2 Real Estate Holdings Limited as well as the disposal of MXC Capital (UK) Limited. The details of this disposal are outlined further within the note.

Set out below is summarised financial information for D2 Real Estate Holdings Limited for the current and prior year. The amounts disclosed are before any inter-company eliminations.

Summarised statement of financial position of D2 Real Estate Holdings Limited	31 December 2020 £'000	31 December 2019 £'000
Current assets	928	743
Current liabilities	(134)	(147)
Net current assets	**794**	**596**
Non-current assets	12	10
Net assets	**806**	**606**
Summarised statement of comprehensive income of D2 Real Estate Holdings Limited		
Revenue	1,280	1,429
Operating expenses	(1,087)	(1,129)
Profit for the year	**193**	**300**
Investment in D2 Real Estate Holdings Limited		
Opening cost of investment	304	273
Dividend received from associate	-	(71)
Proceeds from the reduction in ownership	-	(30)
Earn out payment to previous owners	-	18
Share of net profit of associate	73	114
Investment in associate	**377**	**304**

On 16th July 2020, the Group sold its 25% shareholding in MXC Capital (UK) Limited for consideration of £2.18m. The table below summarises the share of profits attributable to the Group using the equity method up to the date of disposal. Upon disposal, a loss of £389k was recognised due to the difference between the value recognised and consideration received.

Summarised statement of comprehensive income of MXC Capital (UK) Limited	1 January - 15 July 2020 £'000	1 January - 31 December 2019 £'000
Revenue	1,210	3,691
Operating expenses	(820)	(2,195)
Profit for the period/year	**390**	**1,496**

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12. Interests in other entities continued

Associates continued

Investment in MXC Capital (UK) Limited	1 January - 15 July 2020 £'000	1 January - 31 December 2019 £'000
Opening cost of investment	2,471	2,325
Dividend received from associate	-	(190)
Share of performance fee paid from associate	-	(128)
Share of net profit of associate	98	464
Investment in associate	**2,569**	**2,471**

Disposal of holding in MXC Capital (UK) Limited	£'000
Initial consideration	1,090
Deferred consideration	1,090
Consideration received	**2,180**
Investment in associate	2,569
Loss on disposal of associate	**(389)**

Joint ventures

On 1 February 2020, Tavira Ravenscroft SAM entered into liquidation procedures and these were completed on 30 October 2020. A final loss of £41k was recognised for the year.

Reconciliation to consolidated statement of comprehensive income

	2020 £'000
Share of net profit from associates	171
Loss on liquidation of joint venture	(389)
Loss on disposal of associate	(41)
Share of net (loss)/profit of associates and joint ventures accounted for using the equity method	**(259)**

Non-controlling interests ("NCI")

Set out below is summarised financial information for RIL-UK for the current year and prior year. The amounts disclosed are before inter-company eliminations.

Summarised consolidated statement of financial position of RIL-UK	31 December 2020 £'000	31 December 2019 £'000
Current assets	2,105	889
Current liabilities	(2,345)	(330)
Net current assets/(liabilities)	**(240)**	**559**
Non-current assets	7,224	1,940
Non-current liabilities	(102)	(45)
Net assets	**6,882**	**2,454**
Accumulated NCI	**1,642**	**529**

12. Interests in other entities continued

Non-controlling interests ("NCI") continued

Summarised consolidated statement of comprehensive income of RIL-UK	31 December 2020 £'000	31 December 2019 £'000
Revenue	3,519	2,557
Profit for the year	**529**	**337**
Profit allocated to NCI	132	84
Dividends paid to NCI	-	(83)

13. Trading investments – long positions

The Group holds long positions on investments due to its activities acting as a market maker for listed securities.

Accounting policies

Investments and financial assets or liabilities

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets

Investments are recognised and derecognised on the trade date when the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time frame established by the market concerned, and are initially measured at fair value net of transaction costs, except for those financial assets classified as fair value which are described below.

Financial assets are classified into the following specified categories: financial assets as 'at fair value through profit or loss' ("FVTPL") and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Financial assets at fair value through profit or loss

Financial assets are classified as FVTPL when the financial asset is either held for trading or it is designated as FVTPL.

Trading investments pertain to investment securities and can comprise both long and short positions and are initially measured at fair value excluding transaction costs. Subsequently, and at each reporting date, these investments are measured at their fair values, with the resultant gains and losses arising from changes in fair value being taken to the consolidated statement of comprehensive income.

Financial assets are classified as financial assets at FVTPL where the Group acquires the instrument principally for the purpose of selling in the near term, the financial asset is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit taking, as well as all derivatives that are not designated and effective hedging instruments. Financial assets at FVTPL are stated at fair value, with any resulting gain or loss recognised in the consolidated statement of comprehensive income. The net gain or loss recognised in the consolidated statement of comprehensive income incorporates any dividend or interest earned on the financial asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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13. Trading investments – long positions continued

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position where the Group has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The Group has not entered into any arrangements that meet the criteria for offsetting.

Trading investments - long positions

	31 December 2020 £'000	31 December 2019 £'000
Trading investments - long positions	**359**	**199**

The fair values of these trading investments are based on quoted mid market prices. The risks resulting from these positions are set out in note 23.

14. Trade and other receivables

Trade and other receivables mainly consist of trades outstanding which are due from both clients and the market. The Group also has receivables in relation to income accrued during the year and amounts paid to suppliers in advance.

Accounting policies

Trade and other receivables

Trade and other receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The Group applies the IFRS 9: Financial Instruments simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

The Group regularly reviews all outstanding balances including market and client receivables referred to in this note and provides for amounts it considers irrecoverable. This is recognised as bad debts in the consolidated statement of comprehensive income.

14. Trade and other receivables continued

Broker settlement balances

The Group is involved, as principal, in the purchase and simultaneous commitment to sell securities between third parties. Such trades are only complete when both sides of the deal are settled, and so the Group is exposed to risk in the event that one side remains unmatched. The gross exposure to this risk is presented within the trade debtors and creditors as appropriate, though these would be expected to settle during the normal course of trading. Receivable amounts are classified as trade and other receivables held at amortised cost and payable amounts are classified as trade and other payables measured at amortised cost.

Trade and other receivables	31 December 2020 £'000	31 December 2019 £'000
Amounts falling due within one year:		
Prepayments and accrued income	5,937	4,859
Market and client receivables	29,919	5,999
	35,856	**10,858**

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

15. Cash and cash equivalents

The Group holds cash in a variety of bank deposits.

Accounting policies

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and on demand deposits, and other short-term highly liquid investments that have original maturities of three months or less which are subject to an insignificant risk of changes in value.

Cash and cash equivalents

	31 December 2020 £'000	31 December 2019 £'000
Cash and cash equivalents	**10,129**	**7,411**

The Directors consider that the carrying amount of cash and cash equivalents approximates their fair value.

16. Borrowings

The Group's sources of borrowing for funding and liquidity purposes come from a range of committed bank facilities.

Accounting policies

Borrowings

Interest bearing loans and receivables are recognised initially at fair value, net of transaction costs incurred. They are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised as finance costs in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2020

16. Borrowings continued

Borrowings

	31 December 2020			31 December 2019		
	Current £'000	Non-current £'000	Total £'000	Current £'000	Non-current £'000	Total £'000
Capped rate facility	248	3,131	3,379	248	3,379	3,627
Variable rate facility	450	3,963	4,413	200	2,600	2,800
Total borrowings	**698**	**7,094**	**7,792**	**448**	**5,979**	**6,427**

The capped rate facility relates to a £3.75m loan from Royal Bank of Scotland International ("RBSI") at 3% per annum over LIBOR, obtained to finance the acquisition and refurbishment of the office building in Guernsey in 2018, which stands as security for the loan. The Company purchased an interest rate cap on the facility, limiting the effects of LIBOR increases to 2%. The final repayment date is five years from date of drawdown, being 30 June 2023.

The variable rate facility held with Investec Bank (Channel Islands) Limited was increased on 4 February 2020 to become a £6.55m floating rate facility, charged at 3% per annum over 'Base Rate'. A further £2m was drawn during the year ended 31 December 2020. The facility is cross-guaranteed by the Group companies and was obtained to fund various business acquisitions. The final repayment date is five years from date of drawdown, being 31 October 2023.

17. Trade and other payables

Trade and other payables mainly consist of trades outstanding which are due to both clients and the market. The Group also has payables in relation to expenses accrued during the year and amounts paid by clients in advance.

Accounting policies

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

Trade and other payables

	31 December 2020 £'000	31 December 2019 £'000
Amounts falling due within one year:		
Accrued expenses	3,776	3,717
Deferred consideration	813	-
Deferred income	94	60
Market and client payables	28,039	6,757
	32,722	**10,534**
Amounts falling due later than one year:		
Deferred consideration	772	-
	772	**-**

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

18. Provisions and contingent liabilities

A provision is a liability recorded in the consolidated statement of financial position, where there is uncertainty over the timing or amount that will be paid, and is therefore often estimated. A contingent liability is a potential future obligation, where the likelihood of occurrence is considered more than remote, but is not considered probable or cannot be measured reliably.

Accounting policies

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.
The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle a present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions

	31 December 2020 £'000	31 December 2019 £'000
Amounts falling due within one year:		
Deferred contingent consideration	413	-
Provisions	**413**	**-**

Deferred contingent consideration

Deferred contingent consideration relates solely to the consideration payable on the acquisition of RL-IOM. The amount is reliant upon the total value of assets awarded in the contract renewal of a specified client. As at 31 December 2020, management deemed it most probable that the highest asset 'hurdle' would be met and therefore the maximum amount of contingent consideration payable has been provided for. The consideration is expected to be paid in August 2021.

Accounting policies

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events. It can also be a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the notes to the consolidated financial statements.

Contingent liabilities

The Group has not identified any contingent liabilities as at 31 December 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2020

19. Leases

This note explains the accounting treatment for leases. The Group primarily holds lease contracts across a number of subsidiaries in relation to rented office space.

Accounting policies

Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis.

(i) The Company as a lessee

The Group assesses whether a contract is or contains a lease at inception of a contract. A right-of-use asset and a corresponding lease liability is recognised with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, lease payments are recognised as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(ii) Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or consolidated statement of comprehensive income if the right-of-use asset is already reduced to zero.

On the consolidated statement of financial position, right-of-use assets are separately disclosed and current and non-current lease liabilities have been included in lease liabilities.

19. Leases continued

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

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

Right-of-use assets	31 December 2020 £'000	31 December 2019 £'000
Office buildings	857	699
Total right-of-use assets	**857**	**699**
Lease liabilities		
Non-current	615	630
Current	485	281
Total lease liabilities	**1,100**	**911**

The additional assets and liabilities in the year relate to the lease contract on RBSL and RL-IOM rented office space.

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

Depreciation and impairment charge of right-of-use assets	2020 £'000	2019 £'000
Total depreciation charge of right-of-use assets	**285**	**240**
Total impairment charge of right-of-use assets	**-**	**180**
Interest expense	72	73
Expense relating to short-term leases	42	46

Future minimum lease payments as at 31 December 2020 are as follows:		
Not later than one year	485	281
Later than one year and not later than five years	712	754
Later than five years	42	9
Total gross payments	**1,239**	**1,044**
Impact of finance expenses	**(139)**	**(133)**
Carrying amount of liability	**1,100**	**911**

The total cash outflow for leases in 2020 was £329k (2019: £281k).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2020

20. Called up share capital

Called up share capital is the number of shares in issue at their par value. A number of shares were allotted during the year in relation to the Group's employee share option plan.

Accounting policies

Equity instruments

Ordinary shares are classified as equity. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Where any Group company purchases the Company's equity instruments, for example as the result of a share based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the Company as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Company.

Shares held by The Ravenscroft 2015 Employee Benefit Trust are disclosed as treasury shares and deducted from contributed equity.

Called up share capital

	£'000	No.
Authorised:		
As at 31 December 2019	**150**	**15,000,000**
As at 31 December 2020	**150**	**15,000,000**
Allotted, issued and fully paid:		
As at 31 December 2019	**140**	**13,986,659**
As at 1 January 2020	140	13,986,659
Share issue on 30 October 2020	8	840,575
As at 31 December 2020	**148**	**14,827,234**

21. Share based payments and other employee benefits

The Group has a share option plan used to award shares to employees as part of their remuneration package. A charge is recognised over the vesting period in the consolidated statement of comprehensive income to record the cost of these, based on the fair value of the award on the grant date.

Accounting policies

Employee benefits

The Group delivers share based compensation via its share option plan under which the Group receives services from employees in consideration for equity instruments (shares) of the Company. The fair value of the employee services received in exchange for the grant of the shares is expensed on a straight-line basis over the vesting period based on the Group's estimate of the value and amount of the shares that will eventually vest. Information relating to these schemes is set out below.

Share option plan ("SOP" or "Plan")

Following the approval of an employee share option plan by shareholders at an Extraordinary General Meeting held on 15 October 2015, RL-CI granted a number of options to nominated employees; details of the options and the associated vesting dates are outlined below. The options are exercisable at a price in accordance with the rules of the Plan on the date of grant. If the options remain unexercised after the tenth anniversary of being granted, the options will expire. If the option holder ceases to be an employee or office holder within the Group, the options will lapse. As part of the Group reorganisation which completed on 23 April 2018, the Plan was amended to reflect that the options are over the Company's shares. 907,750 options were exercised during the period from tranches 1 to 5, which have now all vested.

Details of the share options outstanding at the year end in respect of the Plan are as follows:

Number of share options:	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5	Total
Outstanding at the beginning of the year	495,250	67,500	262,500	135,000	47,500	1,007,750
Exercised during the year	(470,250)	(62,500)	(252,500)	(75,000)	(47,500)	(907,750)
Outstanding at the end of the year	**25,000**	**5,000**	**10,000**	**60,000**	**-**	**100,000**

	Date of grant	Vesting date	Date of expiry	Remaining contractual life (months)	No. of share options	Estimated fair value £'000	Expensed through profit or loss 2020 £'000
Tranche 1	Nov-15	Nov-18	Nov-25	73	25,000	7	-
Tranche 2	Sep-16	Sep-19	Sep-26	81	5,000	2	-
Tranche 3	Feb-17	Feb-20	Feb-27	86	10,000	4	4
Tranche 4	Sep-17	Sep-20	Sep-27	93	60,000	20	11
Tranche 5	Nov-17	Nov-20	Nov-27	94	-	-	5

The fair value of the options is estimated using an appropriate valuation model. £63k was expensed through profit or loss in 2019 for the Plan.

	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5
Exercise price	375p	375p	405p	425p	450p
Adjusted share price to reflect liquidity (20% discount)	292p	300p	328p	340p	360p
Expected volatility	13.2%	12.5%	12.8%	12.0%	12.3%
Expected share price growth	8.0%	8.0%	8.0%	8.0%	8.0%
Discount rate	0.9%	0.9%	0.7%	0.9%	0.9%

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22. Own shares

The Group deals in shares of the Company to satisfy future share options obligations via an employee benefit trust.

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

The Group established an employee benefit trust (the Ravenscroft 2015 Employee Benefit Trust) to handle the purchase, holding and sale of Company shares for the benefit of staff and to satisfy future share option obligations under the Group's share option schemes. As at 31 December 2020, REBT 2015 owned 211,970 (2019: 69,645) ordinary shares of £0.01 each. REBT 2015 has waived its rights to dividends.

	Number of shares	Cost £'000
At 1 January 2019	-	-
Acquired in the year	169,185	1,072
Awarded during the year	(99,540)	(627)
At 31 December 2019	**69,645**	**445**
Acquired in the year	165,000	980
Awarded during the year	(22,675)	(145)
At 31 December 2020	**211,970**	**1,280**

23. Financial instruments and risk management

This note details the liquidity management and financial risk management objectives and policies, as well as the exposure and sensitivity of the Group to credit, liquidity, interest and foreign exchange risk, and the policies in place to monitor and manage these risks.

The Directors are of the opinion that there have been no significant changes in the financial risks relating to the financial instruments since the prior year.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group's credit risk is primarily attributable to its market and client receivables. The amounts presented in the consolidated statement of financial position are net of allowances for expected credit losses. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The Group has no significant concentrations of credit risk, with exposure spread over a large number of counterparties and customers. The maximum exposure of the financial instruments to this risk approximates the consolidated statement of financial position values. There was no change in the value of loans and receivables in any period presented as a result of changes in credit risk.

Market and client receivables include £1.08m (2019: £0.49m) relating to unsettled trades that have gone past their due dates. Of this balance, £Nil (2019: £Nil) relates to trades awaiting settlement confirmation from unit trust managers and £Nil (2019: £Nil) relates to trades where the market is unable to deliver stock. As at 6 April 2021, £Nil (2019: £Nil) of the year end market and client receivables balance that related to unsettled trades that had gone past their due dates remain unsettled. At the year end, the Group was owed £2.09m (2019: £0.87m) from bank accounts operated on behalf of clients in a nominee capacity. Of these totals, all balances were less than 30 days overdue at the year end other than £0.22m (2019: £Nil) relating to unsettled trades.

23. Financial instruments and risk management continued

Credit risk continued

Also within the market and client receivables are receivable amounts in respect of overdrawn client accounts of £1.67m (2019: £0.64m) which, by their nature, are due for repayment immediately. For commercial reasons the Group may not necessarily seek immediate repayment of these balances, though none are considered impaired. Of the amounts overdrawn at the statement of financial position date these have substantially all been repaid since then. Collateral relating to these receivables exists covering 81% (2019: 99%) of the overdrawn accounts and is described in more detail below.

The remaining market and client receivables are neither past due nor impaired. These relate to trades entered into in an agent capacity on behalf of counterparties that have been subject to assessment of credit risk upon acceptance as a client. To date no losses have been incurred as a result of changes in credit quality and all these outstanding trade positions were settled in full after the year-end date.

Collateral exists in relation to the Group's right to liquidate client assets under administration to make good of funds owed to the Group by individual clients. For clients with assets under administration, the fair value of the available assets would exceed any amounts owed. This collateral does not affect market side receivables or clients using cash against delivery services. The fair value of this collateral at the year end is £92.40m (2019: £131.35m). To date it has not been considered necessary to utilise such recourse. The collateral is over assets held in a nominee capacity and is therefore not otherwise recognised in the consolidated financial statements.

Credit risk relating to cash and cash equivalents and market exposures within market and client receivables is limited because the counterparties are institutions with high credit ratings assigned by international credit rating agencies.

Liquidity risk

The Group is exposed to liquidity risk, namely the risk that it may be unable to meet its payment obligations as they fall due. The Group manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Given the nature of the Group's business, other than borrowings, the Group does not run any significant liquidity mismatches, financial liabilities are on the whole short term and the Group has sufficient cash retained to cover all its non-client and market liabilities. The Group manages the liquidity risk on borrowings by continuously assessing the Groups cash flow, forecasting forward, and horizon scanning to ensure that the Group maintains enough cash flow to repay the interest and principal portions of the borrowings as they fall due.

Included in market and client payables are trades not yet due for settlement amounting to £27.06m (2019: £5.67m) that are expected to settle within a few days of the year end as these fall due for settlement. The corresponding counterparty/client receivables are presented within the market and client receivables balance. As at 6 April 2021, £Nil (2019: £Nil) of the year end market and client payables trades that were not yet due for settlement remain unsettled.

Such obligations relating to transactions entered into as principal in a nominee capacity are done so through a subsidiary of the Company, Huntress (CI) Nominees Limited, which exists solely to act in this capacity. Funds held on behalf of clients are reconciled daily and on occasion RL-CI may be required to advance funds to meet counterparty obligations. It is not considered that this represents a significant liquidity risk as the Group has the means to meet these obligations.

Liquidity risk table

The following tables detail the Group's remaining expected maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group is required to pay. The tables also detail the Group's expected maturity for its non-derivative financial assets, and have been drawn up based on the undiscounted contractual maturities of the financial assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2020

23. Financial instruments and risk management continued

Liquidity risk table continued

	Less than 1 month £'000	1-12 months £'000	1-5 years £'000	Total £'000
At 31 December 2020				
Trading investments - long positions	359	-	-	359
Trade and other receivables	35,856	-	-	35,856
Cash and cash equivalents	10,129	-	-	10,129
Trade and other payables	(32,722)	-	-	(32,722)
Tax payable	(337)	-	-	(337)
Provisions	-	(413)	-	(413)
Borrowings	-	(698)	(7,094)	(7,792)
Lease liabilities	-	(485)	(615)	(1,100)
	13,285	**(1,596)**	**(7,709)**	**3,980**

	Less than 1 month £'000	1-12 months £'000	1-5 years £'000	Total £'000
At 31 December 2019				
Trading investments - long positions	199	-	-	199
Trade and other receivables	10,858	-	-	10,858
Cash and cash equivalents	7,411	-	-	7,411
Trade and other payables	(10,534)	-	-	(10,534)
Tax payable	(231)	-	-	(231)
Borrowings	-	(448)	(5,979)	(6,427)
Lease liabilities	-	(281)	(763)	(1,044)
	7,703	**(729)**	**(6,742)**	**232**

Market risks

(i) Foreign exchange risk

The Group does not have any material exposure to transactional foreign currency risk and therefore no analysis of foreign exchange risk is provided.

(ii) Interest rate risk

The Group is exposed to the risk associated with the effects of fluctuations in the prevailing levels of market interest rates on its debt positions. In 2018, the Company purchased an interest rate cap on the £3.75m RBSI facility, limiting the effects of LIBOR increases to 2%. The remaining facility of £6.55m is a floating rate facility linked to *'Base Rate'*. Currently management review current and forecast interest rates on a regular basis to consider the interest rate risk associated with this facility.

The interest rate profile of the financial assets and liabilities, as at the consolidated statement of financial position date is as follows:

	Variable rate financial liabilities £'000	Capped rate financial liabilities £'000
At 31 December 2020	(4,413)	(3,379)
At 31 December 2019	(2,800)	(3,627)

23. Financial instruments and risk management continued

(ii) Interest rate risk continued

At 31 December 2020, if interest rates had moved by 1% with other variables remaining constant, the change in equity and profit or loss for the year would amount to approximately £78k (2019: £64k).

The variable rate financial liabilities relate solely to the loan with Investec Bank (Channel Islands) Limited, and the capped rate financial liabilities relate solely to the loan with RBSI. As LIBOR is below the 2% cap rate, the interest rate cap agreement represents a zero value derivative financial asset at year-end.

(iii) Price risk

Minimal price risk is considered to exist in relation to the Group's role as an intermediary between buyers and sellers of financial instruments that give rise to the client and market payables and receivables. The exposure is limited to trade mismatches or error, or if one matched counterparty fails to fulfil its obligations. The Group applies monitors and controls to minimize the occurrence of such events. No significant gains or losses have been made to date in respect of such exposure.

(iv) Equity price sensitivity analysis

The Group is generally dependent on the health of the financial markets. The potential impact of poor economic conditions on our clients and markets has the potential to adversely influence the Group's overall financial performance and as such is monitored and reviewed on a forward-looking basis.

The Group's direct exposure to equity price risk is also closely managed. The Group has built a framework of overall and individual stock limits and these are actively monitored by the Group Managing Director on a daily basis. The Group's overall exposure to equity price risk is set by the Board.

The sensitivity analysis below has been determined based on the exposure to equity price risks at the reporting date.

If equity prices had been 20% higher/lower, net profit for the year ended 31 December 2020 would have been £72k higher/lower (2019: £38k higher/lower) due to changes in the value of FVTPL held for trading investments.

Capital risk management

The Group's subsidiaries RL-CI, Ravenscroft Investment Management Limited, Ravenscroft Cash Management Limited, Ravenscroft Custody Services Limited and Ravenscroft Specialist Funds Management Limited are regulated by the GFSC under the Protection of Investors (Bailiwick of Guernsey) Law, 1987. RL-CI, through its Jersey branch, is regulated by the JFSC under the Financial Services (Jersey) Law, 1998. RIL-UK and RBSL are regulated by the FCA. RL-IOM is regulated by the IOMFSA. These companies are therefore required to meet certain minimum capital requirements. Notwithstanding this the Directors maintain levels of equity, reserves and professional indemnity insurance cover that they consider sufficient to meet the commitments and withstand the risks to which each are subject. These companies have complied with these requirements during the period under review.

24. Fair value measurement

Fair value measurements recognised in the consolidated statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2020

24. Fair value measurement continued

Fair value measurements recognised in the consolidated statement of financial position continued

	31 December 2020			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at FVTPL				
Trading investments - long positions	359	–	–	359

	31 December 2019			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at FVTPL				
Trading investments - long positions	199	–	–	199

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Financial instruments measured at fair value on an ongoing basis include trading assets.

Determination of fair value

Fair values are determined as follows within the hierarchy:

(a) Quoted market price

Financial instruments with quoted bid prices for identical instruments in active markets.

(b) Valuation technique using observable inputs

Financial instruments with quoted bid prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

(c) Valuation technique with significant non-observable inputs

Financial instruments valued using financial models where one or more significant inputs are not observable.

The best evidence of fair value is a quoted price in an actively traded market. In the event that the market for a financial instrument is not active, a valuation technique is used.

25. Controlling party and related party transactions

Controlling party

The Directors consider there to be no immediate or ultimate controlling party of the Company. Balances between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are as follows:

Balance of transactions as at:

Due from/(due to)	Relationship	31 December 2020 £'000	31 December 2019 £'000
Ravenscroft Limited	Subsidiary	20	(125)
Ravenscroft Investment Management Limited	Subsidiary	-	(157)
Ravenscroft Services Limited	Subsidiary	(603)	(211)
Ravenscroft Investments (UK) Limited	Subsidiary	47	-
Ravenscroft (Bishops Stortford) Limited	Subsidiary	7	-
Ravenscroft Capital Limited	Subsidiary	(50)	-

The Group acts as market maker for the long and short investment positions held within trading investments with a value of £359k (2019: £199k) and £Nil (2019: £Nil) respectively.

Remuneration of key management personnel

The remuneration of the key management personnel of the Group is set out below in aggregate for each of the categories in IAS 24: Related Party Disclosure.

	31 December 2020 £'000	31 December 2019 £'000
Short-term employment benefits	3,239	3,767
Equity compensation benefits	14	40

For details on the Non-Executive Directors' remuneration paid during the year, please see the Directors' report on page 18. As at 31 December 2020, £Nil (2019: £Nil) of the Directors' remuneration had been accrued but not paid.

Transactions with Directors and staff

Directors' interests in ordinary shares of Ravenscroft Holdings Limited

For details on the Directors' interests in ordinary shares of the Company as at 31 December 2020, please see the Directors' report on page 18.

The current Directors received total dividends on ordinary shares held in the Company during the financial year ended 31 December 2020 of £1.1m (2019: £1.1m).

Investment services offered to Directors and staff

During the years ended 31 December 2020 and 31 December 2019, the Group has provided a range of investment services in the normal course of business to shareholders on normal third-party business terms. Directors and staff are eligible for discounts on some of the services provided. Revenues from services provided to Directors and staff, unless otherwise stated, are immaterial in relation to the overall operations of the Group.

PHL Limited, a client of the Group and company for which Stephen Lansdown is the ultimate controlling party, was charged a custody holding fee of £250k during the year ended 31 December 2020. The fee charged was at a standard market rate for the type of holding and service provided. The total fee paid did not include any discounts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 31 DECEMBER 2020

25. Controlling party and related party transactions continued

Other related party transactions

During the year, the Company entered into a contract with Bristol Sport Limited to act as the main sponsor of the Bristol Bears for 2020/21 season. The ultimate controlling party of Bristol Sport Limited is Stephen Lansdown, a significant shareholder and Chairman of the Company. The value of the contract is £500k, of which £250k was incurred and paid during the year ended 31 December 2020.

26. Events after reporting date

Dividend

The Directors declared a dividend of 15p per share, totalling £2.22m, which was approved by the Board on 6 April 2021, and will be paid on 20 April 2021.

Directors dealings in Company shares

On 17 February 2021 the following directors purchased ordinary shares in the Company at £6.00 per share:

Name	Share increase	Interest post transaction
S P Lansdown CBE	204,196	40.16%
J R Ravenscroft	4,683	11.57%
M L C Bousfield	1,483	3.24%
B M O'Mahoney	2,437	1.97%

Retirement of Chairman

On 25 March 2021, during the Company board meeting, Stephen Lansdown announced his intent to retire as Chairman and Non-Executive Director of the Board at the end of his current term of office and upon the conclusion of the next AGM of the Company to be held on 24 June 2021. Following his decision to retire, the Board has appointed Dominic Jones as his replacement as Chairman.

Director appointments

The retirement of Stephen Lansdown will see the appointment of Richard Collenette as a Non-Independent Non-Executive Director of the Company to represent the interests of the Lansdown family office, Pula Limited. Richard Collenette is a qualified accountant and has worked for Pula Limited since 2016, firstly as Chief Financial Officer and, more recently, as Chief Executive Officer. He joined the Board with immediate effect on 25 March 2021.

The Board has also appointed Mary Theresa Kingston as an independent Non-Executive Director, specialising in marketing and client communication. Mary Theresa Kingston spent three decades at Hargreaves Lansdown after joining the company as its first employee. She will join the Board with effect from 1 June 2021.

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