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RBG Holdings PLC
26 April 2023

26th April 2023

RBG Holdings plc

("RBG", the "Group", or the "Company")

Audited results for the year ended 31 December 2022

RBG Holdings plc (AIM: RBGP), the legal services and professional services group, today announces its audited results for the year ended 31 December 2022.

Highlights [1][2]

- Group revenue (including gains on litigation assets) up 25.6% to £54.1m (2021: £43.1m)
- Adjusted EBITDA up 54.2% to £15.8m (2021: £10.3m)
- Adjusted profit before tax up 66.3% to £10.9m (2021: £6.6m)
- Non-recurring costs of £1.2m (2021: £0.9m)
- EBITDA up 55.5% to £14.6m (2021: £9.4m)
- Profit before tax up 70.4% to £9.7m (2021: £5.7m)
- Profit from continuing operations up 76.8% to £7.8m (2021: £4.4m)
- Loss on discontinued operations, net of tax £(4.0)m (2021: Profit £2.8m)
- Profit for the year (including discontinued operations) of £3.8m (2021: £7.3m)
- Adjusted free cashflow generation £4.0m (2021: £6.4m)
- Net debt of £19.2m (2021: £14.4m)
- Final interim dividend of 0.5p confirmed. Total dividend for 2022 of 2.5p per share (2021: 5p per share)
- Legal services average revenue per fee earner improved 25.6% to £436,000 (2021: £347,000)

Post Period Events:

- Board changes: Jon Divers, Group COO, appointed Group CEO; Tania MacLeod (Senior Partner, Rosenblatt) and Nick Davis (Senior Partner, Memery Crystal) appointed to the Board as Executive Directors
- Strategic Review: Proposed disposal of LionFish Litigation Finance Ltd

Keith Hamill, Chairman, RBG Holdings plc, commented:

"Through their successful integration, our leading law firm brands, Rosenblatt and Memery Crystal have strengthened performance capability within the Group. Deal origination in Convex Capital remains positive in 2023, with a growing pipeline of potential opportunities".

"Since its IPO in 2018, RBG has grown Group revenues by more than three times whilst doubling[3] statutory EBITDA. Our final interim dividend of 0.5p per share has been confirmed today, and we look forward to the coming year with renewed optimism about the prospects for our Group."

The Company's Annual Report and Accounts for the year ended 31 December 2022 is available to view on the Group's website later today at: www.rbgholdings.co.uk/investor-relations/reports-documents-and-circulars

Enquiries:

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About RBG Holdings plc

RBG Holdings plc is a legal services and professional services group, which comprises three core brands:

Rosenblatt

Rosenblatt is one of the UK's pioneering legal practices and a leader in dispute resolution. Rosenblatt provides a range of legal services to its diversified client base, which includes companies, banks, entrepreneurs and individuals.

Complementing this is Rosenblatt's increasingly international footprint, advising on complex cross-jurisdictional disputes.

Memery Crystal
Memery Crystal offers legal services in a range of areas such as corporate (including a market-leading corporate finance offering), real estate, commercial, IP & technology (CIPT), banking & finance, tax & wealth structuring and employment. Memery Crystal offers a partner-led service to a broad range of clients, from multinational companies, financial institutions and owner-managed businesses to individual entrepreneurs.

Convex Capital Limited
Convex Capital is a specialist sell-side M&A boutique based in Manchester. Convex Capital is entirely focused on helping companies, particularly owner-managed and entrepreneurial businesses, realise their value through sales to large corporates. Convex Capital identifies and proactively targets firms that it believes represent attractive acquisition opportunities.

In December 2022, the Group announced its intention to dispose of its litigation finance business, LionFish:

LionFish Litigation Finance Limited ("LionFish")
The Group also provides litigation finance in selected cases through a separate arm, LionFish. LionFish finances litigation matters being run by other solicitors in return for a significant return on the outcome of those cases and is positioned to be a unique, alternative provider to the traditional litigation funders.

Further information is available at: www.rbgholdings.com

Chairman's Statement

Overview

Since its IPO in 2018, RBG has grown Group revenues by more than three times whilst doubling[4] statutory EBITDA. Our final interim dividend of 0.5p per share has been confirmed today. The Group's legal services and professional services businesses have gone from strength to strength, delivering excellent results with significant growth. Group revenue was up 25.6% to £54.1m (2021: £43.1m), resulting in adjusted EBITDA of £15.8m at a margin of 29.2% (2021: £10.3m, 23.8%). The legal services business also delivered a 26 percent increase in average revenue per fee earner to £436,000 (2021: £347,000). Litigation losses in LionFish did however impact the overall Group results which was disappointing and as previously stated, this division is under strategic review.

Financials[5]

- Group revenue (including gains on litigation assets) up 25.6% to £54.1m (2021: £43.1m)
- Adjusted EBITDA up 54.2% to £15.8m (2021: £10.3m)
- Profit before tax up 70.4% to £9.7m (2021: £5.7m)
- Profit from continuing operations up 76.8% £7.8m (2021: £4.4m)
- Loss on discontinued operations, net of tax £(4.0)m (2021: Profit £2.8m)

Our net debt position was £19.2m (2021: £14.4m). The Group has a £15.0m revolving credit facility and a £10.0m five-year term loan taken to fund the Memery Crystal acquisition which has already been paid down to £7.0m. We are committed to reducing debt as a core part of our strategy.

Our balance sheet together with our continued cash generation from our core businesses will support our long-term growth plans, and future dividends.

Dividend

The Board is committed to its published long-term progressive dividend policy. In line with that policy, the Board expects to pay up to 60 per cent of distributable retained earnings from the core business in any financial year by way of dividend, subject to cash requirements and is proposing a total payment of 2.5 pence per share for 2022 (2 pence paid at the half year and 0.5 pence at the full year) to shareholders on the register as at 5 May 2023.

Based on the current outlook, we expect to continue to pay up to 60 per cent of retained earnings in the 2023 financial year by way of dividend.

Strategy

The Group's strategy is to build a high margin, cash-generative, legal and professional services group with diversified revenue and profit streams to deliver sustained shareholder value.

Acquiring the professional services business Convex Capital in 2019 created a new revenue stream. In legal services, the successful acquisition of Memery Crystal in 2021 diversified our revenue, which is now evenly split across three main practice areas, Dispute Resolution, Corporate and Real Estate. We see considerable opportunity in these core business areas. Our emphasis will be on driving organic growth by recruiting and developing new fee earners and, where appropriate, assessing M&A opportunities that will supplement our strategy. However, we will only do deals at the right price and with the right deal structure. Each of the acquisitions we have made so far - Convex Capital and Memery Crystal - has met these criteria. They were immediately earnings enhancing with the potential to generate significant value for shareholders over the medium and long term.

To ensure the Business remains absolutely focused on its goal, the Board has taken the decision to divest LionFish where litigation matters are run by third-party solicitors and reduce the Group's exposure to third-party litigation funding commitments. The proceeds from any sale will be used for working capital purposes and to reduce net debt.

The Board believes that following the completion of the divestment of LionFish, and with a new highly experienced executive team in place, the Group is well placed to deliver its goal of sustained shareholder value.

Board Changes

On 31 December 2022, Suzanne Drakeford-Lewis was appointed to the Board as Group Finance Director following the departure of CFO, Robert Parker.

On 31 January 2023, the employment contract of Nicola Foulston, CEO, was terminated. Jon Divers, the Group COO, was appointed to the Board as CEO. The Board was further strengthened with the appointments of Tania MacLeod (Senior Partner, Rosenblatt) and Nick Davis (Senior Partner, Memery Crystal) as Executive Directors.

The Board now consists of four executive directors and four non-executive directors, providing a blend of different experiences and backgrounds. All non-executives are considered independent.

People

The strength of the Group is in our ability to retain and attract high-quality people. This is evidenced by our performance, and I want to thank everyone for their hard work. I would also like to thank shareholders for their continued support.

Sustainability

We aim to build an organisation that delivers long-term value to our shareholders, successful outcomes for our clients, and is a responsible employer that supports its employees and has a positive impact in the communities in which it operates. For example, this year we have partnered with the Sutton Trust to run work experience and mentoring programmes for university students. We also elected The Matthew Elvidge Trust as our Charity of the Year for 2022.

While the nature of the business means the Group does not have a significant environmental impact, the Board believes that good environmental practices, such as the recycling of paper waste and conservation of energy usage, will support its strategy by enhancing the reputation of the Group. For example, our Fleet Street address has 100% renewable power supply, and the waste is 100% recycled or waste to energy (no landfill).

We want to go further and we are looking at ways we can improve as an employer, and a member of the business community to address the challenges society is facing.

Outlook

Through their successful integration, our leading law firm brands, Rosenblatt and Memery Crystal have strengthened performance capability within the Group. Deal origination in Convex Capital remains positive in 2023, with a growing pipeline of potential opportunities. We look forward to the year ahead with optimism and a renewed focus on the core businesses and driving organic growth.

Keith Hamill
Chairman
25 April 2023

Group Chief Executive Officer's Statement

Overview

Overall, the Group has benefitted from diversification and delivered profitability and cash generation in a challenging year.

RBG Legal Services ("RBGLS"): *Rosenblatt and Memery Crystal*

- Revenue up 37.8% to £44.9m (2021: £32.6m) due to the strong demand for its services
- Average revenue per fee earner of £436,000 (2021: £347,000)
- Utilisation of 76% (2021: 84%) and realisation of 90% (2021: 86%)
- At 31 December 2022, RBGLS employed 179 people, including 120 fee earners

Our legal services business trades under two leading mid-tier law firm brands - Rosenblatt and Memery Crystal, both of which retain their own brand identities and continue to operate as two separately branded law firms. The two brands are aligned to contentious (Rosenblatt) and non-contentious (Memery Crystal) legal services to reflect their distinct position within the legal services market.

To realise operational synergies, the two businesses are now fully integrated and based at one office on Fleet Street in London. The integration has delivered a business which has a more balanced offering across the three main legal areas - Dispute Resolution (via Rosenblatt), and Corporate and Real Estate (through Memery Crystal). This gives a natural hedge to the changing economic environment and has increased the Group's scale and enhanced the ability to win non-contentious mandates as well as improving the new business pipeline.

Convex Capital Limited ("Convex")

- Completed six deals during 2022 delivering £5.3m of revenue (2021:14 deals, £9.4m)
- At 14 April 2023, Convex had a strong pipeline of 24 deals, with a number of deals in advanced stages of negotiation
- Convex has a motivated, dynamic team of 13 people, of whom 12 are fee earners

Convex Capital, the specialist sell-side corporate finance advisory business based in Manchester, was acquired by the Group in September 2019. Convex Capital is entirely focused on helping companies, particularly owner-managed and entrepreneurial businesses, realise their value through sales to large corporates or private equity companies. Convex Capital identifies and proactively targets businesses that it believes represent attractive acquisition opportunities.

The acquisition of Convex Capital was part of the Board's strategy to diversify the Group beyond legal services, focusing on other high-margin professional service areas. Convex Capital is an entrepreneurial, cash-generative business operating across the UK and Europe and provides the Group with further funds for reinvestment into other high-margin areas.

The business is actively building its target pipeline with a data-driven approach to generate deals rather than the traditional passive model where the target company waits to be approached and then appoints a corporate finance partner.

The strength of its pipeline has grown and despite the economic headwinds, the business is in a good position to perform well during 2023.

Convex has been working on a succession plan over the last two years and in January 2023, Isaac Asamoah, James Edge and Tom Campbell were appointed Directors of the business to drive its next phase. Mike Driver, the former managing director, is now a consultant to the business. The three new Directors have been with the business for a number of years and have been responsible for delivering a significant element of the revenue and profits.

Discontinued Operation - LionFish Litigation Finance Limited ("LionFish")

- Losses on third-party litigation assets during the year of £4.3m (2021: £4.1m gains on litigation assets)
- At 31 December 2022, LionFish had 9 investments with £8.3m committed (with £5.0m drawn down) over the life of the cases, which is circa three years

A strategic review undertaken during the year has resulted in us looking to divest LionFish, our third-party litigation finance business. The review looked at the scale of investment business required to ensure the risk of each individual investment was minimalised and the Board concluded that the Group did not have the Balance Sheet to support the growth required and that LionFish would be better placed in a dedicated asset management business.

With this in mind, we have sought buyers for the business and have received four offers. Due diligence is currently underway in respect of an offer that will both deliver cash back to the Group and a share of the upside in successful cases.

Outlook

Overall, the Group had a good 2022 and, despite the losses in LionFish, we delivered solid profits. Following the previously announced decision to sell LionFish, we continue to focus on adapting the Group to changing client needs and to growing our portfolio of services. We look forward to the year ahead with optimism and a renewed focus on the core businesses and driving organic growth.

Jon Divers
Group Chief Executive Officer
25 April 2023

Financial Review

Key Performance Indicators (KPIs)[6]

- Group revenue (including gains on litigation assets) up 25.6% to £54.1m (2021: £43.1m)
- Adjusted EBITDA up 54.2% to £15.8m (2021: £10.3m)
- Adjusted Profit before tax up 66.3% to £10.9m (2021: £6.6m)
- Non-recurring costs of £1.2 million (2021: £0.9m)
- EBITDA up 55.5% to £14.6m (2021: £9.4m)
- Profit before tax up 70.4% to £9.7m (2021: £5.7m)
- Profit from continuing operations up 76.8% to £7.8m (2021: £4.4m)
- Loss on discontinued operations, net of tax £(4.0)m (2021: profit £2.8m)
- Profit for the year (including discontinued operations) of £3.8m (2021: £7.3m)
- Adjusted free cashflow generation £4.0m (2021: £6.4m)
- Net debt of £19.2m (2021: £14.4m)
- Final interim dividend of 0.5p confirmed. Total dividend for 2022 of 2.5p per share (2021: 5p per share)
- Legal services average revenue per fee earner improved 25.6% to £436,000 (2021: £347,000)

The Group has continued to deliver increased revenue and strong profitability in its legal services and professional services businesses and is well positioned to deliver its growth strategy through organic growth, carefully selected acquisitions and high-quality litigation investments in cases run by Rosenblatt.

Revenue and gains on litigation assets

Group revenue including gains on litigation assets for the period was £54.1m compared to £43.1m in 2021, representing a 25.6% increase.

Legal services revenue was up 37.8% to £44.9m from £32.6m in 2021, with the integration of Rosenblatt and Memery Crystal complete and the practice performing to the Board's expectations. Revenue was more evenly split across the three main practice areas, Dispute Resolution (40%), Corporate (37%) and Real Estate (23%). Dispute Resolution continued to perform well and in addition took on contingent work with associated unrecognised time worked of £2.5m (2021: £3.4m). Average revenue per fee earner increased to £436,000 (2021: £347,000), reflecting better resource management in the integrated practice.

Convex had a solid year, in spite of challenging economic conditions in the second half which resulted in the deferral of anticipated deal completions into 2023. Six deals were completed with revenue of £5.3m compared with 14 deal completions in 2021 with £9.4m of revenue.

Gains on litigation assets on litigation cases run by Rosenblatt were up to £3.8m from £1.1m in 2021. These gains included successfully realised litigation asset sales with proceeds totalling £2.7m (2021: £1.8m).

Staff costs

Total staff costs in 2022 were £30.7m (2021: £26.8m), which includes £25.1m for legal services and £3.5m for Convex. The average number of employees for the Group was 211 (2021: 175).

Overhead costs

During 2022, the Group incurred overheads of £39.5m (before depreciation and amortisation) (2021: £33.7m), of which staff costs were £30.7m (2021: £26.8m).

Other operating costs were £8.8m (2021: £6.9m), of which non-recurring costs, including restructuring costs, represented £1.2m (2021: £0.9m). Other costs included insurances of £1.8m (2021: £1.5m), rates £0.9m (2021: £0.7m), and training and recruitment £0.6m (2021: £0.6m).

Operationally, there remains a significant focus on IT and we have invested sensibly over recent years and further enhanced both our internal and client facing experiences of IT usage.

EBITDA and Adjusted EBITDA

In assessing performance, the Group uses EBITDA as a KPI. EBITDA was £14.6m, including £1.2m of non-underlying items (2021: £9.4m including non-underlying items of £0.9m). Adjusted EBITDA for 2022 was £15.8m (29.2% of revenue and gains on litigation assets) (2021: £10.3m, 23.8%). The integration of Rosenblatt and Memery Crystal resulted in a sustained improvement in legal services EBITDA margin to 30.6% (2021: 24.4%), in line with Board expectations. Convex delivered an EBITDA of £1.2m despite the deferral of anticipated deals in the second half of the year (2021: EBITDA £4.2m).

Profit before tax

Profit before tax for 2022 was £9.7m, representing 18.0% of revenue and gains on litigation assets (2021: £5.7m,13.3%); this includes £1.2m of non-underlying items (2021: £0.9m).

Adjusted profit before tax was £10.9m, representing 20.2% of revenue and gains on litigation assets (2021: £6.6m, 15.3%).

Corporation tax

The Group's tax charge for the year is £1.9m with an effective tax rate of 19.9% (2021: £1.3m, 22.8%).

Discontinued operations

LionFish has been classified as a discontinued operation and has been excluded from our headline performance

LionFish has been classified as a discontinued operation and has been excluded from our headline performance measures. Operating losses before non-underlying items for discontinued operations were £4.8m (2021: £3.5m operating profit). Total losses after tax for the business for 2022 totalled £4.0m (2021: £2.8m profit after tax).

Details on discontinued operations are shown in Note 10.

Earnings Per Share (EPS)

The weighted average number of shares in 2022 was 95.3 million which gives a basic earnings per share (EPS) on continuing operations for the year of 8.18p (2021: 4.83p) and diluted earnings per share (EPS) on continuing operations for the year of 8.17p (2021: 4.82p).

Balance Sheet

	2022	2021[7]
	£'m	£'m
Goodwill, intangible and tangible assets	82.9	81.1
Current Assets	26.9	19.3
Current Liabilities	(13.6)	(11.3)
Assets held for sale	5.3	4.9
Liabilities held for sale	(6.5)	(2.1)
	95.0	**91.9**
Net debt	(19.2)	(14.4)
Non-Current Liabilities	(14.4)	(14.5)
Deferred consideration	-	(2.2)
Net assets	**61.4**	**60.8**

The Group's net assets as at 31 December 2022 increased by £0.6m on the prior year due to profitable trading during the year.

Goodwill, Tangible and Intangible Assets

Included within tangible assets is £15.1m (2021: £15.9m) which relates to IFRS 16 right of use assets for the Group's property leases. Total intangible assets of £55.0m (2021: £55.9m) incorporate the goodwill and intangible assets acquired on the acquisitions of the Rosenblatt, Convex, and Memery Crystal businesses. The Group has considered the amounts at which goodwill and intangible assets are stated on the basis of forecast future cash flows and concluded that that these assets have not been materially impaired.

Working capital

Management of lock up and cash generation has continued to be a key focus of the Group over the year. For the Legal Services business, lock up days is a measure of the length of time it takes to convert work done into cash. It is calculated as the combined debtor and WIP days. In Convex and LionFish, invoices are raised, and cash is received at the point of deal completion. Lock up days at 31 December 2022 were 137 (2021: 109), with debtor days being 58 (2021: 59 days) and WIP days being 79 days (2021: 50 days). As the business has become more balanced across departments, lock up has increased driven by non-contentious transactions, which have longer payment terms. This is an area of significant focus for management. Trade debtors less provision for impairment at the end of the year were £9.9m (2021: £9.6m) and contract assets at the year-end were £9.7m (2021: £6.0m).

Net debt

We have a revolving credit facility (RCF) of £15.0m and an acquisition term loan of £10.0m repayable over five years (£3m repaid at 31 December 2022). Our net debt position at the year end was £19.2 million (2021: £14.4 million), providing sufficient liquidity entering the new financial year.

Cash Conversion

	2022 £m	2021 £m
Cash flows from operating activities	13.2	12.6
Movements in working capital	0.1	(0.7)
Increase in litigation assets	(7.8)	(4.7)
Net cash generated from operations	**5.5**	**7.2**
Interest	(1.3)	(0.7)
Capital expenditure	(0.2)	(0.1)
Free cash flow	**4.0**	**6.4**

Underlying profit after tax	3.8	7.3
Cash conversion	**103%**	**88%**

The cash conversion percentage measures the Group's conversion of its underlying profit after tax into free cash flows. Movements in working capital have been adjusted for deferred consideration payments made to Memery Crystal in the current and prior year. Cash conversion has increased from 88% in 2021 to 103% in 2022.

Summary

We are pleased with the profitability and performance of the continuing operations of the Group during the year. The legal and professional services businesses are performing well despite the continuing impact of the situation in Ukraine, current inflationary pressures and the uncertain economic climate. However, it is important to acknowledge the impact of these events, as they will continue to pose a significant challenge moving forward.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	**1 January to 31 December 2022**	**1 January to 31 December 2021[8]**
		£	**£**
Revenue	5	50,307,263	41,985,338
Gains on litigation assets	5	3,821,700	1,095,000
Personnel costs	7	(30,713,284)	(26,773,146)
Depreciation and amortisation expense		(3,543,302)	(2,936,240)
Other expenses		(8,787,105)	(6,901,019)
Profit from operations	6	**11,085,272**	**6,469,933**
EBITDA		**14,628,574**	**9,406,173**
Non-underlying items			
Costs of acquiring subsidiary		367,303	863,435
Restructuring costs		834,808	-
Adjusted EBITDA		**15,830,685**	**10,269,608**
Finance expense	8	(1,361,514)	(801,659)
Finance income	8	32,739	22,676
Share of post-tax profits of equity accounted associate		-	21,643
Loss on sale of associate	18	(21,643)	-
Profit before tax		**9,734,854**	**5,712,593**
Tax expense	9, 10	(1,932,586)	(1,300,577)
Profit from continuing operations		**7,802,268**	**4,412,016**
(Loss)/Profit on discontinued operations, net of tax	10	(3,984,887)	2,845,397
Profit for the year		**3,817,381**	**7,257,413**
Total (loss)/profit and comprehensive income attributable to:			
Owners of the parent		4,202,943	6,972,873
Non-controlling interest		(385,562)	284,540
		3,817,381	**7,257,413**
Earnings per share attributable to the ordinary equity holders of the parent	11		
Profit			
Basic (pence) from continuing operations		8.18	4.83
Diluted (pence) from continuing operations		8.17	4.82
Basic (pence) from total operations		4.41	7.63
Diluted (pence) from total operations		4.40	7.62

There were no elements of other comprehensive income for the financial year other than those included in the income statement.

The attached notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

Company registered number: 11189598	Note	31 December 2022 £	31 December 2021[9] £
Assets			
Current assets			
Trade and other receivables	20	26,937,181	19,330,914
Cash and cash equivalents		3,000,678	4,736,546
		29,937,859	**24,067,460**
Non-current assets			
Property, plant and equipment	13	2,229,958	2,582,911
Right-of-use assets	14	15,074,132	15,913,008
Intangible assets	15	55,021,817	55,859,230
Litigation assets	19	10,603,024	6,675,538
Investments in associate	18	-	101,643
		82,928,931	**81,132,330**
Assets held for sale - discontinued operations	10	5,347,117	4,922,385
Total assets		**118,213,907**	**110,122,175**
Liabilities			
Current liabilities			
Trade and other payables	21	9,465,968	10,099,544
Leases	14	2,238,052	2,150,440
Current tax liabilities	21	1,601,655	1,002,637
Provisions	23	211,536	164,291
Loans and borrowings	22	2,205,640	2,129,592
		15,722,851	**15,546,504**
Non-current liabilities			
Loans and borrowings	22	20,000,000	17,000,000
Deferred tax liabilities	24	744,328	850,042
Provisions	23	150,000	150,000
Leases	14	13,713,932	13,698,661
		34,608,260	**31,698,703**
Liabilities held for sale - discontinued operations	10	6,463,058	2,053,440
Total liabilities		**56,794,169**	**49,298,647**
NET ASSETS		**61,419,738**	**60,823,528**
Issued capital and reserves attributable to owners of the parent			
Share capital	26	190,662	190,662
Share premium reserve	27	49,232,606	49,232,606
Retained earnings	27	11,996,470	11,113,365
		61,419,738	**60,536,633**
Non-controlling interest		-	286,895
TOTAL EQUITY		**61,419,738**	**60,823,528**

The financial statements were approved and authorised for issue by the Board of Directors on 25 April 2023 and were signed on its behalf by:

Jon Divers, Director

The attached notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022	2021[10]
		£	£
Cash flows from operating activities			
Profit/(Loss) for the year before tax from:			
Continuing operations		9,734,855	5,712,593
Discontinued operations		(4,899,522)	3,513,641
Adjustments for:			
Depreciation of property, plant and equipment		556,403	525,606
Amortisation of right-of-use assets		2,153,585	1,781,058
Amortisation of intangible fixed assets		837,413	633,414
Fair value movement of litigation assets net of realisations		3,418,176	(318,814)
Finance income		(32,739)	(22,676)
Finance expense		1,361,514	801,659
Share of post-tax profits of equity accounted associate		-	(21,643)
Loss on sale of equity accounted associate		21,643	-
		13,151,328	**12,604,838**
(Increase) in trade and other receivables		(3,600,176)	(2,220,725)
Increase in trade and other payables		3,609,645	1,428,920
(Increase) in litigation assets		(7,781,846)	(4,683,128)
Increase in provisions		47,245	47,416
Cash generated from operations		**5,426,196**	**7,177,321**
Tax paid		(601,569)	(1,077,855)
Net cash flows from operating activities		**4,824,627**	**6,099,466**
Investing activities			
Purchase of property, plant and equipment		(199,741)	(130,179)
Sale of associate		80,000	-
Acquisition of associate		-	(80,000)
Acquisition of subsidiary, net of cash		-	(12,000,000)
Payment of deferred consideration		(2,248,319)	(4,518,585)
Interest received		32,739	22,676
Net cash (used in) investing activities		**(2,335,321)**	**(16,706,088)**
Financing activities			
Dividends paid to holders of the parent		(4,736,071)	(4,430,414)
Dividend paid to non-controlling interest		-	(200,000)
Proceeds from loans and borrowings		5,000,000	20,000,000
Repayment of loans and borrowings		(2,000,000)	(11,000,000)
Repayments of lease liabilities		(1,211,829)	(1,856,938)
Interest paid on loans and borrowings		(756,768)	(279,497)
Interest paid on lease liabilities		(528,698)	(392,570)
Net cash (used in)/from financing activities		**(4,233,366)**	**1,840,581**
Net (decrease) in cash and cash equivalents		**(1,744,060)**	**(8,766,041)**
Cash and cash equivalents at beginning of year		4,756,143	13,522,184
Cash and cash equivalents at end of year		**3,012,083**	**4,756,143**
Cash and cash equivalents - continuing operations		3,000,678	4,736,546
Cash and cash equivalents - discontinued operations		11,405	19,597
Cash and cash equivalents per consolidated balance sheet		**3,012,083**	**4,756,143**

The attached notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

Current year	**Share Capital**	**Share Premium**	**Retained Earnings**	**Total attributable to equity holders of parent**
	£	£	£	**£**
Balance at 1 January 2022	190,662	49,232,606	11,113,365	**60,536,633**
Comprehensive income for the year				

Profit for the year	-	-	4,202,943	**4,202,943**
Total comprehensive Income for the year	**-**	**-**	**4,202,943**	**4,202,943**
Contributions by and distributions to owners				
Dividends	-	-	(4,736,071)	**(4,736,071)**
Purchase of NCI share capital	-	-	(98,767)	**(98,767)**
Reversal of call option over shares of associate	-	-	500,000	**500,000**
Reversal of put option over shares of subsidiary	-	-	1,015,000	**1,015,000**
Total contributions by and distributions to owners	**-**	**-**	**(3,319,838)**	**(3,319,838)**
Balance at 31 December 2022	**190,662**	**49,232,606**	**11,996,470**	**61,419,738**

The attached notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

Prior year	**Share Capital**	**Share Premium**	**Retained Earnings**	**Total attributable to equity holders of parent**
	£	£	£	**£**
Balance at 1 January 2021 (restated[11])	171,184	37,565,129	9,070,906	**46,807,219**
Comprehensive income for the year				
Profit for the year	-	-	6,972,873	6,972,873
Total comprehensive Income for the year	**-**	**-**	**6,972,873**	**6,972,873**
Contributions by and distributions to owners				
Dividends	-	-	(4,430,414)	**(4,430,414)**
Issue of share capital	19,478	11,667,477	-	**11,686,955**
Grant of put option over shares in subsidiary	-	-	(500,000)	**(500,000)**
Total contributions by and distributions to owners	**19,478**	**11,667,477**	**(4,930,414)**	**6,756,541**
Balance at 31 December 2021	**190,662**	**49,232,606**	**11,113,365**	**60,536,633**

The attached notes form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

Company registered number: 11189598	**Note**	**31 December 2022**	**31 December 2021 restated[12]**
		£	**£**
Assets			
Current assets			
Trade and other receivables	20	14,204,102	11,405,341
Cash and cash equivalents		413,635	2,460,489
		14,617,737	**13,865,830**

Non-current assets			
Trade and other receivables	20	39,554,433	35,343,534
Property, plant and equipment	13	45	1,083
Investments in subsidiaries	17	27,501,378	27,501,278
Investments in associate	18	-	80,000
		67,055,856	**62,925,895**
Total assets		**81,673,593**	**76,791,725**
Liabilities			
Current liabilities			
Trade and other payables	21	4,290,801	2,143,456
Loans and borrowings	22	2,205,640	2,129,592
		6,496,441	**4,273,048**
Non-current liabilities			
Loans and borrowings	22	20,000,000	17,000,000
Deferred tax liabilities	24	635,334	660,270
		20,635,334	**17,660,270**
Total liabilities		**27,131,775**	**21,933,318**
NET ASSETS		**54,541,818**	**54,858,407**
Issued capital and reserves attributable to owners of the parent			
Share capital	26	190,662	190,662
Share premium reserve	27	49,232,606	49,232,606
Retained earnings	27	5,118,550	5,435,139
		54,541,818	**54,858,407**

The Company has taken advantage of the exemption contained in S408 Companies Act 2006 and has not presented a separate income statement for the Company. The Company recorded a profit after tax of £4,419,482 for the year ended 31 December 2022 (2021: £7,105,524).

The financial statements were approved and authorised for issue by the Board of Directors on 25 April 2023 and were signed on its behalf by:

Jon Divers

Director

The attached notes form part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Profit for the year before tax		**3,491,188**	**6,550,348**
Adjustments for:			
Depreciation of property, plant and equipment	13	1,038	4,764
Finance income		(14,164)	(11,386)
Finance expense		811,352	397,916
		4,289,414	**6,941,642**
Decrease in trade and other receivables		1,329,641	526,485
Increase/(decrease) in trade and other payables		379,823	(412,658)
Cash generated from operations		**5,998,878**	**7,055,469**
Tax paid		-	-
Net cash flows from operating activities		**5,998,878**	**7,055,469**
Investing activities			
Acquisition of associate		-	(80,000)
Sale of associate	18	80,000	-
Purchase of NCI share capital		(100)	-
Amounts (loaned to) subsidiaries		(7,435,942)	(21,661,696)

Interest received		14,164	11,386
Net cash flows (used in) investing activities		**(7,341,879)**	**(21,730,310)**
Financing activities			
Dividends paid to holders of the parent	12	(4,736,071)	(4,430,414)
Amounts borrowed from subsidiaries		1,767,522	520,683
Proceeds from loans and borrowings		5,000,000	20,000,000
Repayment of loans and borrowings		(2,000,000)	(11,000,000)
Interest paid on loans and borrowings		(735,304)	(268,324)
Net cash flows (used in)/from financing activities		**(703,853)**	**4,821,945**
Net (decrease) in cash and cash equivalents		**(2,046,854)**	**(9,852,896)**
Cash and cash equivalents at beginning of year		2,460,489	12,313,385
Cash and cash equivalents at end of year		**413,635**	**2,460,489**

The attached notes form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

Current year	Share Capital £	Share Premium £	Retained Earnings £	Total £
Balance at 1 January 2022	**190,662**	**49,232,606**	**5,435,139**	**54,858,407**
Comprehensive profit for the year				
Profit for the year	-	-	4,419,582	4,419,582
Total comprehensive profit for the year	-	-	**4,419,582**	**4,419,582**
Contributions by and distributions to owners				
Dividends	-	-	(4,736,071)	**(4,736,071)**
Total contributions by and distributions to owners	-	-	**(4,736,071)**	**(4,736,071)**
Balance at 31 December 2022	**190,662**	**49,232,606**	**5,118,650**	**54,541,918**

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022 (CONTINUED)

Prior year	Share Capital £	Share Premium £	Retained Earnings £	Total £
Balance at 1 January 2021	**171,184**	**37,565,129**	**2,760,029**	**40,496,342**
Comprehensive profit for the year				
Profit for the year	-	-	7,105,524	7,105,524
Total comprehensive profit for the year	-	-	**7,105,524**	**7,105,524**
Contributions by and distributions to owners				
Dividends	-	-	(4,430,414)	**(4,430,414)**
Issue of share capital	19,478	11,667,477	-	**11,686,955**
Total contributions by and	19,478	11,667,477	(4,430,414)	7,256,541

Total contributions by and distributions to owners	19,478	11,667,477	(4,430,414)	7,256,541
Balance at 31 December 2021	**190,662**	**49,232,606**	**5,435,139**	**54,858,407**

The attached notes form part of these financial statements.

NOTES FORMING PART OF THE CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS

1. Basis of preparation

RBG Holdings plc is a public limited company, incorporated in the United Kingdom. The principal activity of the Group is the provision of legal and professional services, including management and financing of litigation projects.

The financial information set out in this release does not constitute the Company's full statutory accounts for the year ended 31 December 2022 for the purposes of section 434(3) of the Companies Act 2006, but it is derived from those accounts that have been audited. Statutory accounts for 2021 have been delivered to the registrar of companies, and those for 2022 will be delivered after the forthcoming AGM. BDO LLP and Moore Kingston Smith LLP have reported on the accounts for the year ended 31 December 2021 and the year ended 31 December 2022 respectively: their reports were unqualified and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

While the information included in this preliminary announcement has been prepared in accordance with the recognition and measurement principles of UK adopted international accounting standards, this announcement does not itself contain sufficient information to comply with UK adopted international accounting standards. The Company expects to publish full financial statements for the year ended 31 December 2022 that comply with UK adopted international accounting standards on 26 April 2023.

The accounting policies set out below are in accordance with UK adopted international accounting standards, and International Financial Reporting Interpretations Committee ('IFRIC') interpretations that were applicable for the year ended 31 December 2022.

The financial statements have been prepared for year ended 31 December 2022, with a comparative year to 31 December 2021 (restated), and are presented in Sterling, which is also the Group's functional currency.

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out in Note 2. The policies have been consistently applied to the year presented, unless otherwise stated.

The preparation of financial statements in compliance with UK adopted international accounting standards requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in Note 3.

Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for the following items (refer to individual accounting policies for details):

- Litigation assets - fair value through profit or loss

Discontinued operations

During the year, the Board approved plans to dispose of the Group's interests in LionFish. LionFish is classified as held for sale at the balance sheet date. The net results of LionFish have been presented as discontinued operations in the Group statement of comprehensive income (for which the comparatives have been restated). See Note 10 for further details.

Going concern

As described in the Strategic Report the Group expects to be able to operate within the Group's financing facilities and in accordance with the covenants set out in all available facility agreements. Accordingly, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future and they have adopted the going concern basis of accounting in preparing the annual Group financial statements.

Changes in accounting policies

a. *New standards, interpretations and amendments effective from 1 January 2022*

New standards that have been adopted in the annual financial statements for the year ended 31 December 2022 but have not had a significant effect on the Group are:

- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

b. *New standards, interpretations and amendments not yet effective*

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2);
- IFRS 17 Insurance Contracts;
- Definition of Accounting Estimates (Amendments to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

The Group is currently assessing the impact of these new accounting standards and amendments and does not expect that they will have a material impact on the Group.

The following amendments are effective for the period beginning 1 January 2024:

- IFRS 16 Leases (Amendment - Liability in a Sale and Leaseback);
- IAS 1 Presentation of Financial Statements (Amendment - Classification of Liabilities as Current or Non-current); and
- IAS 1 Presentation of Financial Statements (Amendment - Non-current Liabilities with Covenants)

2. Accounting policies

Revenue

Revenue comprises the fair value of consideration receivable in respect of services provided during the year, inclusive of recoverable expenses incurred but excluding value added tax.

Legal services revenues

Where fees are contractually able to be rendered by reference to time charged at agreed rates, the revenue is recognised over time, based on time worked charged at agreed rates, to the extent that it is considered recoverable.

Where revenue is subject to contingent fee arrangements, including where services are provided under Damages Based Agreements (DBAs), the Group estimates the amount of variable consideration to which it will be entitled and constrains the revenue recognised to the amount for which it is considered highly probable that there will be no significant reversal. Due to the nature of the work being performed, this typically means that contingent revenues are not recognised until such time as the outcome of the matter being worked on is certain.

Bills raised are payable on delivery and until paid form part of trade receivables. The Group has taken advantage of the practical exemption in IFRS 15 not to account for significant financing components where the Group expects the time difference between receiving consideration and the provision of the service to a client will be one year or less. Where revenue has not been billed at the balance sheet date, it is included as contract assets and forms part of trade and other receivables.

Professional services revenues

Professional services revenue is contingent on the completion of a deal and is recognised when the deal has completed. Bills raised are payable on deal completion and are generally paid at that time.

Adjusted EBITDA and exceptionals

The Group presents adjusted EBITDA as an operating KPI utilised by management to monitor performance.

EBITDA is adjusted for one off costs that are considered to be exceptional, being:

- Restructuring costs
- One off costs connected to acquisitions

These costs are considered to be exceptional because they do not relate to the ongoing trade and performance of the business. Without presenting adjusted EBITDA, the EBITDA would not be consistent as it would be subject to fluctuations that do not reflect underlying performance of the Group.

Basis of consolidation

Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The consolidated financial statements present the results of the company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

Non-Controlling interests

The total comprehensive income of non-wholly owned subsidiaries is attributed to owners of the parent and to the non-controlling interests in proportion to their relative ownership interests.

Goodwill

Goodwill represents the excess of the cost of a business combination over the Group's interest in the fair value of identifiable assets, liabilities and contingent liabilities acquired.

Cost comprises the fair value of assets given, liabilities assumed, and equity instruments issued, plus the amount of any non-controlling interests in the acquiree plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree. Contingent consideration is included in cost at its acquisition date fair value and, in the case of contingent consideration classified as a financial liability, remeasured subsequently through profit or loss. Direct costs of acquisition are recognised immediately as an expense.

Goodwill is capitalised as an intangible asset with any impairment in carrying value being charged to the consolidated statement of comprehensive income. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full to the consolidated statement of comprehensive income on the acquisition date.

Impairment of non-financial assets (excluding inventories, investment properties and deferred tax assets)

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial period end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e., the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ('CGUs'). Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from a business combination that gives rise to the goodwill.

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

Foreign currency

Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss.

Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Group's accounting policy for each category is as follows:

Fair value through profit or loss

Litigation assets relate to the provision of funding to litigation matters in return for a participation share in the settlement of that case. Investments are initially measured at the sum invested and are subsequently held at fair value through the profit or loss.

When the Group disposes of a proportion of its participation share in the settlement of the case to a third-party under an uninsured ("naked") contract, where the percentage of the litigation asset being disposed of and the percentage return remain proportionate irrespective of the final outcome of the litigation, the difference between the disposal proceeds and the cost of investment disposed gives rise to a profit on disposal which is recognised through the profit and loss when the sale is agreed. These sales are non-recourse and, if the case is successful, the relevant % of the settlement received is paid to the third-party. For uninsured cases, the Group uses the value of third-party disposals to calculate the gross value of the proportion of the investment retained by the Group and deducts the expected cost of investment to be borne by the Group to give the fair value of the Group's investment. The proportion of each investment retained is calculated using the expected total return on the investment, the expected return payable to the onward investor and the expected total return retained by the Group.

For insured cases, when the Group disposes of a proportion of its participation share in the settlement of the case to a third-party, where the third-party return is calculated as a fixed percentage daily rate irrespective of the settlement value of a successful litigation outcome, the derecognition requirements under IFRS 9 para 3.2.2 are not met and no sale or profit on disposal arise. The Group retains the full litigation asset and the proceeds of disposal under the third-party contract are included as litigation liabilities. The fair value of the litigation asset is calculated using the expected total return retained by the Group in the different possible outcomes factored by Management's expectation of the likelihood of each outcome.

Litigation assets are reviewed for impairment where events or circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of the litigation assets exceeds its recoverable amount, the asset is written down accordingly.

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g., trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for current and non-current trade receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

From time to time, the Group elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the consolidated statement of comprehensive income (operating profit).

Impairment provisions for receivables from related parties and loans to related parties, including those from subsidiary companies, are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. This annual assessment considers forward-looking information on the general economic and specific market conditions together with a review of the operating performance and cash flow generation of the entity relative to that at initial recognition. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position. Cash and cash equivalents includes cash in hand, deposits held at call with banks, and other short term highly liquid investments with original maturities of three months or less.

Financial liabilities

The Group classifies its financial liabilities depending on the purpose for which the liability was acquired.

*Other financial liabilitie*s

All the Group's financial liabilities are classified as other financial liabilities, which include the following items:

Bank borrowings are initially recognised at fair value net of any transactions costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Defined contribution schemes

Contributions to defined contribution pension schemes are charged to the consolidated statement of comprehensive income in the year to which they relate.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Share-based payments

Where equity settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the consolidated statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the consolidated statement of comprehensive income over the remaining vesting period. Where equity instruments are granted to persons other than employees, the consolidated statement of comprehensive income is charged with the fair value of goods and services received.

Leased assets

Identifying leases

The Group accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

(a) There is an identified asset;
(b) The Group obtains substantially all the economic benefits from use of the asset; and
(c) The Group has the right to direct use of the asset

The Group considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether the Group obtains substantially all the economic benefits from use of the asset, the Group considers only the economic benefits that arise from use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether the Group has the right to direct use of the asset, the Group considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Group considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of the contract does not satisfy these criteria, the Group applies other applicable IFRSs rather than IFRS 16.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a term of 12 months or less

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of the termination option being exercised

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before the commencement of the lease
- initial direct costs incurred and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted using a revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except the discount rate remains unchanged. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining lease term.

For contracts that both convey a right to the Group to use an identified asset and require services to be provided to the Group by the lessor for a variable amount, the Group has elected to account for the right-of-use payments as a lease and expense the service charge payments in the period to which they relate.

Externally acquired intangible assets

Externally acquired intangible assets are initially recognised at cost and subsequently amortised over their useful economic lives.

Intangible assets are recognised on business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques.

The significant intangibles recognised by the Group, their useful economic lives and the methods used for amortisation and to determine the cost of intangibles acquired in a business combination are as follows:

Intangible asset	**Useful economic life**	**Remaining useful economic life**	**Amortisation method**	**Valuation method**
Brand	20 years	15 - 19 years	Straight line	Estimated discounted cash flow
Customer contracts	1 - 2 years	1 year	In line with contract revenues	Estimated discounted cash flow
Restrictive covenant extension	2 years	1 year	Straight line	Cost

Non-current investments

Investments in subsidiary undertakings are stated at cost less amounts written off for impairment. Investments are reviewed for impairment where events or circumstances indicate that their carrying amount may not be recoverable.

Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the directors. In the case of final dividends, this is when approved by the shareholders at the AGM.

Income tax

Income tax expense represents the sum of the tax currently payable.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible.

The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year.

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit, and
- investments in subsidiaries and joint arrangements where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/assets are settled /recovered.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- The same taxable group company, or
- Different group entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognised within provisions.

Depreciation is provided on all items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following rates:

Leasehold improvements	-	Straight line over the life of the lease
Plant and equipment		33% per annum straight line

Plant and equipment	-	33% per annum straight line
Fixtures and fittings	-	25% per annum straight line
Computer equipment	-	33% per annum straight line

Investments in associates

Investments in associates are accounted for under the equity method, initially recorded at cost, and then subsequently stated at cost, adjusted for attributable share of profit or loss after the date of acquisition.

Share Capital

Ordinary shares are recorded at nominal value and proceeds received in excess of nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity.

Provisions

Professional indemnity provision

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where material, the impact of the time value of money is taken into account by discounting the expected future cash flow at a pre-tax rate, which reflects risks specific to the liability.

Insurance cover is maintained in respect of professional negligence claims. This cover is principally written through insurance companies. Premiums are expensed as they fall due with prepayments or accruals being recognised accordingly. Expected reimbursements are recognised once they become receivable. The liability and associated reimbursement asset are shown separately in the financial statements. Where outflow of resources is considered probable and reliable estimates can be made, provision is made for the cost (including related legal costs) of settling professional negligence claims brought against the Group by third parties and disciplinary proceedings brought by regulatory authorities. Amounts provided for are based on Management's assessment of the specific circumstances in each case. No separate disclosure is made of the detail of such claims and proceedings, as to do so could seriously prejudice the position of the Group. In the event the insurance companies cannot settle the full liability, the liability will revert to the Group.

Dilapidations provision

The Group recognises a provision for the future costs of dilapidations on leased office space. The provision is an estimate of the total cost to return applicable office space to its original condition at the end of the lease term.

Restatements

The 2021 comparative numbers have been restated for the following correction which is described fully in Note 31:

- Reclassification of amounts due from Group companies between current and non-current assets to reflect expectations of the timing of repayment

The Company statement of financial position adjustment decreased current trade and other receivables by £35,343,534 and increased non-current trade and other receivables by £35,343,534.

The 2021 comparative numbers have been restated to reflect LionFish being disclosed as a discontinued operation in the current year, refer to Note 10.

3. Critical accounting estimates and judgments

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on actual experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

Judgements, estimates and assumptions

Estimated impairment of intangible assets including goodwill

Determining whether an intangible asset is impaired requires an estimation of the value in use of the cash generating units to which the intangible has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from each cash generating unit and determine a suitable discount rate. A difference in the estimated future cash flows or the use of a different discount rate may result in a different estimated impairment of intangible assets.

Revenue recognition

Where the group performs work that is chargeable based on hours worked at agreed rates, assessment must be made of the recoverability of the unbilled time at the period end. This is on a matter by matter basis, with reference to historic and post year-end recoveries. Different views on recoverability would give rise to a different value being determined for revenue and a different carrying value for unbilled revenue.

Where revenue is subject to contingent fee arrangements, the Group estimates the amount of variable consideration to which it will be entitled and constrains the revenue recognised to the amount for which it is considered highly probable that there will be no significant reversal. Due to the nature of the work being performed, this typically means that contingent revenues are not recognised until such time as the outcome of the matter being worked on is certain. Factors the Group considers when determining whether revenue should be constrained are whether: -

a) The amount of consideration receivable is highly susceptible to factors outside the Group's influence
b) The uncertainty is not expected to be resolved for a long time
c) The Group has limited previous experience (or limited other evidence) with similar contracts
d) The range of possible consideration amounts is broad with a large number of possible outcomes

Different views being determined for the amount of revenue to be constrained in relation to each contingent fee arrangement may result in a different value being determined for revenue and also a different carrying value being determined for unbilled amounts for client work.

Where the group enters into contingent fee arrangements, including where services are provided under Damages Based Agreements ("DBAs"), the Group estimates the total amount of variable consideration to which it will be entitled and constrains the revenue recognition to the amount for which it is considered highly probable that there will be no significant reversal. Due to the nature of the work being performed, this typically means that contingent revenues are not recognised until such time as the outcome of the matter being worked on is certain.

Where non-contingent fees as well as contingent revenue are earned on DBAs, the group must make a judgement as to whether non-contingent amounts represent revenue or a reduction in funding, with reference to the terms of the agreement and timing and substance of time worked and payments made. Where non-contingent revenue arises, the Group must match it against the services to which it relates. This requires Management to estimate work done as a proportion of total expected work to which the fee relates. Different views could impact the level of non-contingent revenue recognised.

3. Critical accounting estimates and judgements *(continued)*

Impairment of trade receivables

Receivables are held at cost less provisions for impairment. Impairment provisions are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. A different assessment of the impairment provision with reference to the probability of the non-payment of trade debtors or the expected loss arising from default, may result in different values being determined.

Litigation assets and fair value

LionFish

For each of LionFish's uninsured ("naked") investments, a third-party disposal has been made. To calculate the profit on disposal, the Group allocates the corresponding proportion of the total expected cost of the investment against the proportion of the investment sold. The total expected cost of each investment involves an assumption regarding the total expected drawdown on that investment, which may be less than the total value of funds committed. To calculate the proportion of each investment retained, the Group has estimated the expected total return on the investment and the expected return payable to the onward investor. As returns are dependent on the timing of the settlement, these estimates are driven by assumptions over the most likely timing of settlement. The sales prices of the part disposal are used to value the gross value of the proportion of the litigation asset retained by the Group and the estimated remaining capital to invest is deducted to give the fair value of the Group's investment. The estimates used in these calculations are based on semi-annual individual case by case reviews by Management.

The fair value of LionFish's insured investments is calculated using the expected total return retained by the Group in the different possible outcomes factored by Management's expectation of the likelihood of each outcome. As returns are dependent on the timing of the settlement, these estimates are driven by assumptions over the most likely timing of settlement. The total expected cost of each investment involves an assumption regarding the total expected drawdown on that investment, which may be less than the total value of funds committed. The expected total returns retained by the Group in the different possible outcomes are then factored by Management's expectation of the likelihood of each outcome. The estimates used in these calculations, are based on semi-annual individual case by case reviews by Management.

The recorded profits on disposal and carrying values are relatively insensitive to assumptions made, with the exception that matters for which capital invested is insured are sensitive to the estimated settlement date and the success likelihood factor applied. In general, the later the anticipated settlement date, the greater the carrying value of the investment. Management has exercised caution in its assessment of settlement dates. Management have used historic success rates on contingent contentious cases to factor the returns for the different possible outcomes.

3. Critical accounting estimates and judgements *(continued)*

Rosenblatt

Unlike LionFish's investments, the total return on Rosenblatt's litigation assets is a proportion of damages awarded, rather than being dependent on timing of settlement. As this figure is potentially large and uncertain, and has a strong impact on fair value calculations, where possible the Group avoids using it as an input to its fair value calculations.

Where a recent disposal of an interest in a DBA has been made, the sales price of the disposal has been used to value the gross value of the interest in damages retained by the Group. The sales price is adjusted downwards for the cost of the Group's ongoing funding of the matter, which is not borne by the onward investor. This involves an estimate of the likely amount and timing of disbursements over the course of the matter, the minimum being funds already disbursed at the balance sheet date. As management believes the sales price of disposals to represent the floor level, having been used to create a market and de-risk the original investment, the minimum level of disbursements has also been used in valuing the investment. If the present value of the maximum level of disbursements were applied against the value of damages based on disposal price, this would reduce the fair value of the investment to zero. Conversely, if a discounted cash flow method of valuation were used, including an estimate of the likely amount of damages on settlement, the value of the investment would be significantly increased.

It is presumed that fair value and cost approximate to each other on initial recognition and where a damages based agreement is at an early stage, such that the level of time worked is de minimis, the financial asset has been valued at cost, subject to assessment for overstatement.

Where there has been minimal activity on a damages based agreement from period to period, the prior year valuation is taken as the initial indication of fair value, subject to assessment for overstatement.

Litigation assets are reviewed for impairment where events or circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of the litigation asset exceeds its recoverable amount, the asset is written down accordingly

Claims and regulatory matters

The Group from time to time receives claims in respect of professional service matters. The Group defends such claims where appropriate but makes provision for the possible amounts considered likely to be payable, having regard to any relevant insurance cover held by the Group. A different assessment of the likely outcome of each case or of the possible cost involved may result in a different provision or cost.

In the prior year, the Company was informed that HMRC had started an inquiry into the valuation of employee related securities issued by the Company in April 2018 prior to the IPO, this inquiry is on-going. For full details, refer to Note 32.

4. Financial instruments - Risk Management

The Group is exposed through its operations to the following financial risks:

- Credit risk
- Interest rate risk and
- Liquidity risk

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from the previous period unless otherwise stated in this note.

(i) Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Trade receivables
- Cash and cash equivalents
- Litigation assets and liabilities
- Trade and other payables
- Derivative financial liabilities
- Floating-rate bank loans

(ii) Financial instruments by category

Financial assets - Group	**Fair value through profit or loss**		**Amortised cost**	
	31 December 2022	**31 December 2021 restated**	**31 December 2022**	**31 December 2021 restated**
	£	**£**	**£**	**£**
Cash and cash equivalents	-	-	3,000,678	4,736,546
Trade and other receivables	-	-	25,047,445	17,367,064
Litigation assets	10,603,024	6,675,538	-	-
Total financial assets	**10,603,024**	**6,675,538**	**28,048,123**	**22,103,610**

On 31 December 2022, financial assets held at fair value through profit or loss of £5,331,698 were transferred to assets held for sale (2021: £4,895,514). Financial assets held at amortised cost of £4,755,219 were transferred to assets held for sale (2021: £779,678). Refer to note 10 for further details

4. Financial instruments - Risk Management *(continued)*

Financial assets - Company	Fair value through profit or loss		Amortised cost	
	31 December 2022	31 December 2021 restated	31 December 2022	31 December 2021 restated
	£	£	£	£
Cash and cash equivalents	-	-	413,635	2,460,489
Trade and other receivables	-	-	53,758,535	46,748,875
Total financial assets	**-**	**-**	**54,172,170**	**49,209,364**

Financial Liabilities - Group	Fair value through profit or loss		Amortised cost	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021 restated
	£	£	£	£
Trade payables and accruals	-	-	6,845,356	4,564,874
Loans and borrowings	-	-	22,205,640	19,129,592
Derivative financial liabilities	-	-	-	1,515,000
Other payables	-	-	100	2,308,328
Total financial liabilities	**-**	**-**	**29,051,096**	**27,517,794**

On 31 December 2022, financial liabilities carried at amortised cost of £1,283,385 were transferred to liabilities held for sale (2021: £803,881), refer to note 10.

Financial Liabilities - Company	Fair value through profit or loss		Amortised cost	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021 restated
	£	£	£	£
Trade payables and accruals	-	-	4,290,801	2,143,546
Total financial liabilities	**-**	**-**	**4,290,801**	**2,143,546**

Trade and other payables are due within twelve months.

4. Financial instruments - Risk Management *(continued)*

(iii) Financial instruments not measured at fair value

Financial instruments not measured at fair value includes cash and cash equivalents, trade and other receivables, trade and other payables, loans and borrowings, litigation liabilities and derivative financial liabilities.

Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, and trade and other payables approximates their fair value.

(iv) Financial instruments measured at fair value

Litigation assets are classified as level 3 in the fair value hierarchy of financial instruments.

The methods and procedures to fair value litigation assets may include, but are not limited to: (i) obtaining information provided by third parties when available; (ii) performing comparisons of comparable or similar investment matters; (iii) calculating the present value of future cash flows; (iv) assessing other analytical data and information relating to the investment that is an indication of value; (v) reviewing the amounts invested in these investments; (vii) entering into a market transaction with an arm's length party.

The material estimates and assumptions used in the analysis of fair value include the status and risk profile of the risks underlying the investment, the timing and expected amount of cash flows based on the investment structure and agreement, the appropriateness of discount rates used, if any, and in some cases, the timing of, and estimated minimum proceeds from, a favourable outcome. Significant judgement and estimation goes into the assumptions which underlie the analyses, and the actual values realised with respect to investments could be materially different from values obtained based on the use of the estimates.

The reconciliation of the opening and closing fair value balance of the level 3 financial instruments is provided in Note 19 together with a sensitivity analysis.

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Board receives monthly reports from the Group Finance Director through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk

Credit risk is the risk of financial loss to the Group if a client or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is Group policy to assess the credit risk of new and irregular clients before entering contracts and to require money on account of work for these clients. The Group reviews, on a regular basis, whether to perform further work where clients have unpaid bills. The Group works with a broad spread of long-standing reputable clients to ensure there are no significant concentrations of credit risk.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. Cash and cash equivalents are invested with banks with an A+ credit rating.

4. Financial instruments - Risk Management *(continued)*

Interest rate risk

The Group is exposed to cash flow interest rate risk from borrowings under the Term Facility and Revolving Credit Facility at variable rate. The Board reviews the interest rate exposure on a regular basis.

During 2022 and 2021, the Group's borrowings at variable rate were denominated in sterling. At 31 December 2022, if interest rates on sterling denominated borrowings had been 150 basis points higher/lower with all other variables held constant, profit after tax for the year would have been £267,000 lower/higher, mainly as a result of higher/lower interest expense on floating-rate borrowings. The directors consider that 150 basis points is the maximum likely change in sterling interest rates over the next year, being the period up to the next point at which the Group expects to make these disclosures.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group's policy is to ensure that it will always have sufficient cash (or agreed facilities) to allow it to meet its liabilities when they become due and to take advantage of business opportunities.

The Board reviews the projected financing requirements annually when agreeing the Group's budget and receives rolling 12-month cash flow projections for the Group on a regular basis as well as information regarding cash balances.

On 19 April 2021, the Group signed an amendment and restatement agreement for a £15,000,000 three-year Revolving Credit Facility and £10,000,000 three-year Term Facility Commitment with HSBC UK Bank plc. The Group may utilise any proportion of the facilities, paying an interest margin of 2.4% - 3.15% over SONIA on utilisations and a commitment fee on the unutilised facility. The facility is secured by the debenture which grants first ranking fixed and floating security of the property and assets of the Group as referenced in Notes 13 and 15. During 2022, the Group drew down the remaining £5 million of the Revolving Credit Facility and £2 million of the Term Facility Commitment was repaid during the year. At the year end the Group had £3.0 million in cash, and so a net debt position of £19.2 million (2021: £14.4 million).

At the end of the financial year, cash flow projections indicated that the Group expected to have sufficient liquid resources to meet its obligations, including scheduled lease payments (Note 14), under all reasonably expected circumstances.

Capital Management

The Group monitors "adjusted capital" which comprises all components of equity (i.e., share capital, share premium, non-controlling interest and retained earnings).

The Group's objectives when maintaining capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk

The Group expects to pursue a progressive dividend policy over time, driven primarily by the level of cash retained within the business as well as investment opportunities available to the Group and from time to time review the continued appropriateness of such policy.

5. Segment information

The Group's reportable segments are strategic business groups that offer different products and services. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, which has been identified as the Board of Directors of RBG Holdings plc.

The following summary describes the operations of each reportable segment:

- *Legal services* - Provision of legal advice, by RBGLS (trading under two brands, Rosenblatt and Memery Crystal)
- *Litigation finance* - Sale of litigation assets, by Rosenblatt (litigation financing activities operated by LionFish are included in discontinued operations, Note 10)
- *Professional Services* - Provision of sell-side M&A corporate finance services, provided by Convex

2022	**Legal services £**	**Litigation finance £**	**Professional services £**	**Total £**
Segment revenue	44,873,908	-	5,433,355	**50,307,263**
Segment gains on litigation assets comprising:				
Proceeds on disposal of litigation assets	-	2,741,700	-	**2,741,700**
Realisation of litigation assets	-	(720,000)	-	**(720,000)**
Profit on disposal of litigation assets	-	2,021,700	-	**2,021,700**
Fair value movement on litigation assets	-	1,800,000	-	**1,800,000**
	-	**3,821,700**	**-**	**3,821,700**
Segment contribution	22,699,777	-	1,944,104	**24,643,881**
Segment gains on litigation assets	-	3,821,700	-	**3,821,700**

Costs not allocated to segments	
Personnel costs	(5,074,989)
Depreciation and amortisation	(3,543,302)
Other operating expense	(8,762,018)
Net financial expenses	(1,328,775)
Loss on sale of equity accounted associate	(21,643)
Group profit for the year before tax on continuing operations	**9,734,854**

5. Segment information *(continued)*

2021 (restated)	**Legal services £**	**Litigation finance £**	**Professional services £**	**Total £**
Segment revenue	32,570,661	-	9,414,677	**41,985,338**
Segment gains on litigation assets comprising:				
Proceeds on disposal of litigation assets	-	1,825,000	-	**1,825,000**
Realisation of litigation assets	-	(730,000)	-	**(730,000)**
Profit on disposal of litigation assets	-	1,095,000	-	**1,095,000**
Fair value movement on litigation assets	-	-	-	**-**
	-	**1,095,000**	-	**1,095,000**
Segment contribution	15,007,758	-	4,631,515	**19,639,273**
Segment gains on litigation assets	-	1,095,000	-	**1,095,000**
Costs not allocated to segments				
Personnel costs				(4,430,718)
Depreciation and amortisation				(2,936,240)
Other operating expense				(6,897,382)
Net financial expenses				(778,983)
Share of post-tax profits on equity accounted associate				21,643
Group profit for the year before tax on continuing operations				**5,712,593**

Total assets and liabilities by operating segment are not reviewed by the chief operating decision makers and are therefore not disclosed.

A geographical analysis of revenue is given below:

	Revenue by location of clients	
	2022 £	**2021 £**
United Kingdom	43,393,963	36,893,981
Europe	1,528,152	549,860
North America	567,170	760,208
Other	4,817,978	3,781,289
	50,307,263	**41,985,338**

Revenues from Legal Services clients that account for more than 10% of Group revenue was £6,632,334 (2021: £nil).

5. Segment information *(continued)*

Contract assets

Group	2022 £	2021 £
At 1 January	5,976,258	2,996,925
Acquired through business combinations	-	3,560,480
Transfers in the period from contract assets to trade receivables	(3,039,106)	(2,464,783)
Impairment of contract assets	(412,125)	-
Excess of revenue recognised over cash (or rights to cash) being recognised during the year	7,178,785	1,883,636
At 31 December	**9,703,812**	**5,976,258**

Contract assets are included within "trade and other receivables" on the face of the statement of financial position. They arise when the Group has performed services in accordance with the agreement with the relevant client and has obtained right to consideration for those services, but such income has not been billed at the balance sheet date.

6. Profit from operations and auditor's remuneration

	2022 £	2021 restated £
Profit from operations is stated after charging:		
Fees payable to the company's auditors:		
Audit fees	290,000	246,350
Other services - pursuant to legislation/regulation	36,684	41,150
Depreciation of property, plant and equipment	552,305	525,607
Amortisation of right-of-use assets	2,153,585	1,781,058
Amortisation/impairment of intangible assets	837,413	633,415
Lease expense:		
Short-term	-	-
Low value	-	3,874

For the year ended 31 December 2022, depreciation of property, plant and equipment of £4,098 (2021: £3,838) was transferred to discontinued operations.

6. Profit from operations and auditor's remuneration *(continued)*

The Alternative Performance Measures used by Management are shown below:

	2022 £	2021 restated £
Operating profit	11,085,272	6,469,933
Depreciation and amortisation expense	3,543,302	2,936,240
Non-underlying items	1,202,111	863,435
Adjusted EBITDA	**15,830,685**	**10,269,608**

	2022 £	2021 restated £
Profit before tax	9,734,854	5,712,593
Non-underlying items	1,202,111	863,435
Adjusted PBT	**10,936,965**	**6,576,028**

7. Employees

Group

	2022 £	2021 restated £
Staff costs (including directors) consist of:		
Wages and salaries	22,804,330	20,483,009

Short-term non-monetary benefits	294,501	214,208
Cost of defined contribution scheme	711,529	664,240
Share-based payment expense	6,244	72,000
Social security costs	2,999,841	2,485,004
	26,816,445	**23,918,461**

Personnel costs stated in the consolidated statement of comprehensive income includes the costs of contractors of £3,896,839 (2021: £2,854,685).

Staff costs transferred to discontinued operations during the year of £474,361 (2021: £436,194)

Contractors' costs transferred to discontinued operations during the year of £7,655 (2021: £144,437)

The average number of employees (including directors) during the year was as follows:

	2022 Number	2021 Number
Legal and professional staff	138	113
Administrative staff	73	62
	211	**175**

7. Employees *(continued)*

Defined contribution pension schemes are operated on behalf of the employees of the Group. The assets of the schemes are held separately from those of the Group in independently administered funds. The pension charge represents contributions payable by the Group for continuing operations to the funds and amounted to £711,529 (2021: £664,240).

Contributions amounting to £260,548 (2021: £127,296) were payable to the funds at year end and are included in Trade and other payables.

Company

The average number of employees (excluding directors) during the period was nine (2021: six); all other personnel are employed by subsidiary undertakings.

Details of the Directors' remuneration, share interests and transactions with directors are included in the Directors' Report and in Note 29. The directors are considered to be the key management personnel.

8. Finance income and expense

	2022 £	2021 £
Recognised in profit or loss		
Finance income		
Interest received on bank deposits	32,739	22,676
Net finance income recognised in profit or loss	**32,739**	**22,676**
Finance expense		
Interest expense on financial liabilities measured at amortised cost	(832,816)	(409,089)
Interest expense on lease liabilities	(528,698)	(392,570)
	(1,361,514)	**(801,659)**
Net finance (expense) recognised on profit or loss	**(1,328,775)**	**(778,983)**

The above financial income and expense include the following in respect of assets/(liabilities) not at fair value through profit or loss:

	2022 £	2021 £
Total interest income on financial assets	32,739	22,676
Total interest expense on financial liabilities	(832,816)	(409,089)
	[illegible]	[illegible]

	(800,077)	**(386,413)**

9. Tax expense

	2022	2021 restated
	£	£
Current tax expense		
Current tax on profits for the year	1,116,247	1,960,545
Adjustment for under provision in prior years	8,341	7,487
Total current tax	**1,124,588**	**1,968,032**
Deferred tax expense		
Origination and reversal of temporary differences in current period (Note 24)	(130,212)	789
Origination and reversal of temporary differences in prior period (Note 24)	23,575	-
Total tax expense	**1,017,951**	**1,968,821**
Tax charge attributable to:		
Profit from continuing operations	1,932,586	1,300,577
Profit/(loss) from discontinued operations	(914,635)	668,244
Tax expense excluding share of tax of equity accounted associate	1,017,951	1,968,821
Share of tax expense of equity accounted associate	-	5,175
	1,017,951	**1,973,996**

The reasons for the difference between the actual tax charge for the period and the standard rate of corporation tax in the United Kingdom applied to profits for the year are as follows:

	2022	2021 restated
	£	£
Profit/(loss) for the year from:		
Continuing operations	7,802,268	4,412,016
Discontinued operations	(3,984,887)	2,845,397
	3,817,381	**7,257,413**
Income tax expense (including income tax on associate) attributable to:	1,017,951	1,973,996
Continuing operations	1,932,586	1,305,752
Discontinued operations	(914,635)	668,244
Profit before income taxes	**4,835,332**	**9,231,409**
Tax using the Company's domestic tax rate of 19%	918,713	1,753,968
Expenses not deductible for tax purposes	91,370	117,317
Fixed asset differences	(675)	(3,276)
Adjustments in respect of prior periods	8,341	7,487
Adjustments in respect of prior periods (deferred tax)	23,575	-
Remeasurement of deferred tax for changes in tax rates	(23,373)	98,500
Total tax expense	**1,017,951**	**1,973,996**

9. Tax expense *(continued)*

Changes in tax rates and factors affecting the future tax charge

Following the Finance Bill 2021, enacted on 24 May 2021, the UK corporate tax rate increased from 19% to 25% on 1 April 2023. As IFRS requires deferred tax to be measured at tax rates that have been substantively enacted at the reporting date, the Group's deferred tax balances have been re-measured accordingly and the impact has been reflected within the consolidated financial statements.

10. Discontinued operations

In December 2022, the Board announced its intention to dispose of LionFish Litigation Finance Limited ("LionFish").

On 12 August 2020, the Company agreed put options over the shares of LionFish held by the non-controlling interest. Under this agreement, the holder of the shares could require the Company to buy the shares in LionFish, with consideration based on a multiple of LionFish profits, settled by the issue of ordinary shares in the Company. On 8 December 2022, the minority shares were transferred to the Group for £nil and this agreement was terminated. The present value of the put option was released through the Statement of Changes in Equity (2021: £1,015,000).

Financial performance and cash flow information

The financial performance and cash flow information presented are for the 12 months ending 31 December 2022 and 31 December 2021

Discontinued operations - LionFish	**2022 £**	**2021 £**
(Loss)/Gain on litigation assets	(4,318,025)	4,112,524
Expenses other than finance costs	(500,608)	(598,883)
Non-underlying items	(80,889)	-
Tax credit/(expense)	914,635	(668,244)
(Loss)/Profit for the year	(3,984,887)	2,845,397
Attributable to:		
Equity holders of the parent	(3,599,325)	2,560,857
Non-controlling interests	(385,562)	284,540
	(3,984,887)	**2,845,397**

Cash flow	**2022 £**	**2021 £**
Net cash (outflow)/inflow from operating activities	(845,511)	2,166,222
Net cash outflow from investing activities	(389)	(549)
Net cash outflow from financing activities	-	(2,000,000)
Net (decrease)/increase in cash generated	**(845,900)**	**165,673**

10. Discontinued operations *(continued)*

Assets and liabilities of disposal group held for sale

The following major classes of assets and liabilities in relation to LionFish have been classified as held for sale in the consolidated statement of financial position.

	2022 £	**2021 £**
Property, plant and equipment	2,770	6,479
Litigation investments	5,331,698	4,895,514
Trade and other receivables	1,244	795
Cash and cash equivalents	11,405	19,597
Assets held for sale	**5,347,117**	**4,922,385**
Trade and other payables	1,283,883	803,881
Amounts due to parent company	4,766,624	760,081
Tax liabilities	412,551	489,478
Liabilities held for sale	**6,463,058**	**2,053,440**

11. Earnings per share

	Total 2022	**Total 2021 Restated**
Numerator	**£**	**£**

Profit for the year and earnings used in basic and diluted EPS:		
From continuing operations	7,802,268	4,412,016
From discontinued operations	(3,599,325)	2,560,857
Non-Underlying items		
Costs of acquiring subsidiary	367,303	863,435
Restructuring costs	834,808	-
Less: tax effect of above items	(209,647)	(69,242)
Profit for the year adjusted for non-underlying items from continuing operations	**8,794,732**	**5,206,209**

Denominator	**Number**	**Number**
Weighted average number of shares used in basic EPS	95,331,236	91,408,901
Impact of share options	188,392	153,437
Weighted average number of shares used in diluted EPS	**95,519,628**	**91,562,338**

11. Earnings per share *(continued)*

	2022 Pence	**2021 Pence Restated**
Basic earnings per ordinary share from continuing operations	8.18	4.83
Diluted earnings per ordinary share from continuing operations	8.17	4.82
Basic earnings per ordinary share from discontinued operations	(3.78)	2.80
Diluted earnings per ordinary share from discontinued operations	(3.78)	2.80
Basic earnings per ordinary share from total operations	4.41	7.63
Diluted earnings per ordinary share from total operations	4.40	7.62
Basic earnings per ordinary share adjusted for non-underlying items from continuing operations	9.23	5.70
Diluted earnings per ordinary share adjusted for non-underlying items from continuing operations	9.21	5.69

12. Dividends

	2022 £	**2021 £**
Interim dividend of 3p (2021: 3p) per ordinary share proposed and paid during the year relating to the previous year's results	2,832,898	2,541,412
Interim dividend of 2p (2021: 2p) per ordinary share paid during the year	1,903,173	1,889,002
	4,736,071	**4,430,414**

13. Property, plant and equipment

Group

	Leasehold improvements £	**Fixtures and fittings £**	**Computer Equipment £**	**Total £**
Cost				
At 1 January 2022 (restated)	**2,710,279**	**251,294**	**779,546**	**3,741,119**
Additions	7,471	87,883	103,998	199,352
At 31 December 2022	**2,717,750**	**339,177**	**883,544**	**3,940,471**
Accumulated depreciation and impairment				

At 1 January 2022 (restated)	**487,148**	**116,989**	**554,071**	**1,158,208**
Charge for the year	285,370	109,399	157,536	552,305
At 31 December 2022	**772,518**	**226,388**	**711,607**	**1,710,513**
Net book value				
At 1 January 2022 (restated)	**2,223,131**	**134,305**	**225,475**	**2,582,911**
At 31 December 2022	**1,945,232**	**112,789**	**171,937**	**2,229,958**

Property, plant and equipment transferred to held for sale at 31 December 2022 of £2,770 (2021: £6,479).

Company

	Computer Equipment £	Total £
Cost		
At 1 January 2022	18,750	18,750
Additions	-	-
At 31 December 2022	**18,750**	**18,750**
Accumulated depreciation and impairment		
At 1 January 2022	17,667	17,667
Charge for the year	1,038	1,038
At 31 December 2022	**18,705**	**18,705**
Net book value		
At 1 January 2022	1,083	1,083
At 31 December 2022	**45**	**45**

Under a debenture signed and registered on 19 April 2021, HSBC UK Bank plc have a fixed charge over the property, plant and equipment of the Group.

14. Leases

The Group leases its business premises in the United Kingdom. The lease contracts either provide for annual increases in the periodic rent payments linked to inflation or for payments to be reset periodically to market rental rates.

The percentages in the table below reflect the current proportions of lease payments that are either fixed or variable. The sensitivity reflects the impact on the carrying amount of lease liabilities and right-of-use assets if there was an uplift of 5% on the balance sheet date to lease payments that are variable.

At 31 December 2022	**Lease Contract Number**	**Variable Payments %**	**Sensitivity £000**
Property leases with payments linked to inflation	1	56.1%	+/- 218
Property leases with periodic uplifts to market rentals	2	43.9%	+/- 584
	3	**100.0%**	**+/- 802**

The percentages in the table below reflect the proportions of lease payments that are either fixed of variable for the comparative period.

At 31 December 2021	**Lease Contract Number**	**Variable Payments %**	**Sensitivity £000**
Property leases with payments linked to inflation	1	46.7%	+/- 253
Property leases with periodic uplifts to market rentals	2	53.3%	+/- 539
	3	**100.0%**	**+/- 792**

Right-of-use Assets

	Land and buildings £	Computer equipment £	Total £
At 1 January 2021	5,822,408	3,304	5,825,712
Acquired through business combinations	11,798,710	-	11,798,710
Amortisation	(1,777,754)	(3,304)	(1,781,058)
Variable lease payment adjustment	69,644	-	69,644
At 31 December 2021	**15,913,008**	**-**	**15,913,008**
At 1 January 2022	15,913,008	-	15,913,008
Amortisation	(2,153,585)	-	(2,153,585)
Variable lease payment adjustment	1,314,709	-	1,314,709
At 31 December 2022	**15,074,132**	**-**	**15,074,132**

14. Leases *(continued)*

Lease liabilities

	Land and buildings £	Computer equipment £	Total £
At 1 January 2021	5,947,655	3,407	5,951,062
Acquired through business combinations	11,685,333	-	11,685,333
Interest expense	392,523	47	392,570
Variable lease payment adjustment	69,644	-	69,644
Lease payments	(2,246,054)	(3,454)	(2,249,508)
At 31 December 2021	**15,849,101**	**-**	**15,849,101**
At 1 January 2022	15,849,101	-	15,849,101
Interest expense	528,698	-	528,698
Variable lease payment adjustment	1,314,709	-	1,314,709
Lease payments	(1,740,524)	-	(1,740,524)
At 31 December 2022	**15,951,984**	**-**	**15,951,984**

At 31 December 2022, lease liabilities were falling due as follows:

Group	**Up to 3 months** £	**Between 3 and 12 months** £	**Between 1 and 2 years** £	**Between 2 and 5 years** £	**Over 5 years** £	**Total** £
Lease liabilities	549,028	1,689,023	2,342,088	5,421,661	5,950,183	**15,951,984**

The aggregate undiscounted commitments for low-value leases as at 31 December 2022 was £nil (2021: £nil).

15. Intangible assets

Group

	Goodwill £	**Customer Contracts** £	**Brand** £	**Other** £	**Total** £
Cost					
At 1 January 2021	33,035,260	1,367,784	1,411,596	1,000,000	36,814,640
Additions	18,826,908	338,794	1,948,878	-	21,114,580

Additions	18,826,908	338,794	1,948,878	-	21,114,580
At 31 December 2021	**51,862,168**	**1,706,578**	**3,360,474**	**1,000,000**	**57,929,220**
At 1 January 2022	51,862,168	1,706,578	3,360,474	1,000,000	57,929,220
Additions	-	-	-	-	-
At 31 December 2022	**51,862,168**	**1,706,578**	**3,360,474**	**1,000,000**	**57,929,220**
Accumulated amortisation and impairment					
At 1 January 2021	-	1,293,939	142,636	-	1,436,575
Amortisation charge	-	172,660	127,422	333,333	633,415
At 31 December 2021	**-**	**1,466,599**	**270,058**	**333,333**	**2,069,990**
At 1 January 2022	-	1,466,599	270,058	333,333	2,069,990
Amortisation charge	-	169,389	168,024	500,000	837,413
At 31 December 2022	**-**	**1,635,988**	**438,082**	**833,333**	**2,907,403**
Net book value					
At 31 December 2021	51,862,168	239,979	3,090,416	666,667	55,859,230
At 31 December 2022	**51,862,168**	**70,590**	**2,922,392**	**166,667**	**55,021,817**

Under a debenture signed and registered on 19 April 2021, HSBC UK Bank plc have a fixed charge over the intangible assets of the Group.

16. Impairment of goodwill and other intangible assets

The Group is required to test, on an annual basis, whether goodwill and other intangible assets have suffered any impairment. The recoverable amounts are determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flows. The recoverable amounts were determined to be higher than the carrying amounts and so no impairment losses were recognised.

The recoverable amounts have been determined from value in use calculations based on an extrapolation of the cash flow projections from the formally approved budget. Values assigned to the key assumptions represent management's estimate of expected future trends and are as follows:

- A pre-tax discount rate of 18% was applied in determining the recoverable amount. The discount rate is based on the average weighted cost of capital
- Growth rates over the longer term of between 0-3% are based on management's understanding of the market opportunities for services provided
- Increases in costs are based on current inflation rates and expected levels of recruitment needed to generate predicted revenue growth
- Cash flows have been assessed over ten years with the assumption that the business will be ongoing at the end of that period

The review demonstrated sufficient headroom such that the estimated carrying values are not sensitive to changes in assumptions. Having reviewed the key assumptions used, the Directors do not believe that there is a reasonably possible change in any of the key assumptions that require further disclosure.

17. Subsidiaries

The principal subsidiaries of RBG Holdings plc, which are incorporated in England and Wales and have been included in these consolidated financial statements, are as follows:

Name	**Principal Activity**	**Registered Number**	**Proportion of ownership interest**		**Non-controlling interests' ownership**	
			2022	**2021**	**2022**	**2021**
RBL Law Limited	Legal Services	09986118	100%	100%	-	-
RBG Legal Services Limited	Legal Services	13287062	100%	100%	-	-
Convex Group (Holdings) Limited	Holding Company	11490871	100%	100%	-	-
Convex Capital Limited	Professional Services	11491052	100%	100%	-	-

	Services					
LionFish Litigation Finance Limited	Litigation Finance	12165991	100%	90%	-	10%
Islero Assignments Limited	Dormant	12754244	100%	90%	-	10%
Memery Crystal Limited	Dormant	13600674	100%	100%	-	-
Rosenblatt Limited	Dormant	13601148	100%	100%	-	-

The principal place of business of Convex Group (Holdings) Limited and Convex Capital Limited is Bass Warehouse, 4 Castle Street, Manchester, M3 4LZ. The principal place of business and registered office of RBG Legal Services Limited is 165 Fleet Street, London, England, EC4A 2DY. The principal place of business of the other subsidiaries and the registered address of each subsidiary is 9-13 St. Andrew Street, London, England EC4A 3AF.

17. Subsidiaries *(continued)*

For the year ending 31 December 2022, the principal subsidiary companies, set out above, were exempt from the requirements of the Companies Act relating to the audit of individual accounts by virtue of section 479A of the Companies Act 2006. RBG Holdings plc, has given a statement of guarantee under the Companies Act 2006 section 479C, whereby RBG Holdings plc will guarantee all outstanding liabilities to which the respective subsidiary companies are subject as at 31 December 2022.

Company

	2022 £	2021 £
Cost and net book value		
At 1 January	27,501,278	15,814,321
Investments in subsidiaries	100	11,686,957
Impairment	-	-
At 31 December	**27,501,378**	**27,501,278**

18. Investments in associate

In June 2022, the Group sold its 40% interest in Adnitor Limited. The post-tax loss on disposal of investment in associate was determined as follows:

	2022 £
Cash consideration received	80,000
Total consideration received	**80,000**
Net assets disposed (other than cash):	
Investment in associate	101,643
Loss on disposal of discontinued operation, net of tax	**(21,643)**

On 1 February 2021, the Company agreed a call option over the shares of Adnitor Limited held by the majority shareholder. Under this agreement, the Company was required to purchase the remaining shares in Adnitor Limited by the fifth anniversary of the agreement, with consideration based on a multiple of Adnitor's profits, settled by the issue of ordinary shares in the Company. On the disposal of the Group's interest in Adnitor Limited this agreement was terminated and the present value of the option released through the Statement of Changes in Equity (2021: £500,000).

19. Litigation assets

The table below provides analysis of the movements in the Level 3 financial assets.

	2022 Level 3 £	2021 Level 3 restated £

At 1 January	6,675,538	6,569,110
Additions	2,847,486	836,428
Realisations	(720,000)	(730,000)
Fair value movement	1,800,000	-
At 31 December	**10,603,024**	**6,675,538**

At 31 December, litigation assets of £5,331,698 (2021: £4,895,514) were transferred to assets held for sale - discontinued operations.

Sensitivity of Level 3 valuations

Following investment, the Group engages in a semi-annual review of each investment's fair value. At 31 December 2022, should the value of investments have been 10% higher or lower than provided for in the Group's fair value estimation, while all other variables remained constant, the Group's income and net assets would have increased and decreased respectively by £1,060,302 (2021: £667,554).

20. Trade and other receivables

	Group 2022 £	Company 2022 £	Group 2021 Restated £	Company 2021 Restated £
Trade receivables	10,660,265	-	10,183,246	-
Less: provision for impairment of trade receivables	(745,523)	-	(555,600)	-
Trade receivables - net	**9,914,742**	**-**	**9,627,646**	**-**
Contract assets	9,703,812	-	5,976,258	-
Amounts due from group companies	-	53,167,678	-	45,731,735
Amounts due from discontinued operations	4,766,624	-	760,081	
Other receivables	662,267	403,633	1,003,079	775,085
Total financial assets other than cash and cash equivalents classified as amortised cost	**25,047,445**	**53,571,311**	**17,367,064**	**46,506,820**
Prepayments	1,889,736	187,224	1,963,850	242,055
Total trade and other receivables	**26,937,181**	**53,758,535**	**19,330,914**	**46,748,875**
Due within one year or less	26,937,181	14,204,102	19,330,914	11,405,341
Due after more than one year	-	39,554,433	-	35,343,534
	26,937,181	**53,758,535**	**19,330,914**	**46,748,875**

At 31 December, trade and other receivables of £1,244 (2021: £795) were transferred to assets held for sale - discontinued operations.

20. Trade and other receivables *(continued)*

The carrying value of trade and other receivables classified at amortised cost approximates fair value.

The Group does not hold any collateral as security.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and aging. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts.

The expected loss rates are based on the Group's credit losses experienced over the period since incorporation, adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. The Group has identified the gross domestic product (GDP), unemployment rate and inflation rate as the key macroeconomic factors in the countries where the Group operates.

The lifetime expected loss provision for trade receivables and contract assets is as follows:

	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total £
31 December 2022					
Expected loss rate	*0%*	*3%*	*4%*	*19%*	
Gross carrying amount	14,437,136	1,832,694	820,647	3,273,600	**20,364,077**
Loss provision	57,161	49,528	30,947	607,887	**745,523**
31 December 2021					
Expected loss rate	*1%*	*5%*	*12%*	*10%*	
Gross carrying amount	11,576,904	1,653,063	1,217,482	1,712,055	**16,159,504**
Loss provision	152,889	77,204	148,553	176,954	**555,600**

None of the trade receivables and contract assets have been subject to a significant increase in credit risk since initial recognition.

Movements in the impairment allowance for trade receivables are as follows:

	2022 £	2021 £
At 1 January	555,600	219,643
Increase during the year	248,427	524,647
Receivable written off during the year as uncollectible	(24,247)	(173,050)
Unused amounts reversed	(34,257)	(15,640)
At 31 December	**745,523**	**555,600**

Included in other receivables is £12,475 (2021: £518,944) which is owed by the Employee Benefit Trust.

20. Trade and other receivables *(continued)*

Company

The loans due from RBG Legal Services and LionFish Litigation Finance are on demand and interest free.

Management considers that there is no increase in credit risk on the related party loans. Given that the loans are on demand, lifetime credit losses and 12-month credit losses will be the same. Having considered different recoverability scenarios which incorporated macroeconomic information (such as market interest rates and growth rates), current and forward-looking information, management consider the expected credit losses to be close to nil.

21. Trade and other payables

	Group 2022 £	Company 2022 £	Group 2021 restated £	Company 2021 £
Trade payables	3,969,311	-	1,874,413	-
Corporation tax payable	1,601,655	-	1,002,637	-
Other taxes and social security	2,620,512	-	1,711,342	-
Amounts due to group companies	-	2,873,359	-	1,105,837
Derivative financial liabilities	-	-	1,515,000	-
Other payables	100	100	2,308,328	-
Accruals	2,876,045	1,417,342	2,690,461	1,037,619
At 31 December	**11,067,623**	**4,290,801**	**11,102,181**	**2,143,456**
Due within one year or less	11,067,623	4,290,801	11,102,181	2,143,456
Due after more than one year	-	-	-	-
	11,067,623	**4,290,801**	**11,102,181**	**2,143,456**

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value.

Other payables for 2021 contains £2,248,319 of deferred consideration (refer to note 25).

At 31 December, trade and other payables of £1,696,434 (2021: £1,293,359) were transferred to liabilities held for sale - discontinued operations (refer to note 10).

22. Loans and borrowings

The book value and fair value of loans and borrowings which all denominated in sterling are as follows:

	Book value 31 Dec 22 £	Fair value 31 Dec 22 £	Book value 31 Dec 21 £	Fair value 31 Dec 21 £
Non-current				
Bank loans				
Secured	20,000,000	20,000,000	17,000,000	17,000,000
Current				
Bank loans				
Secured	2,205,640	2,205,640	2,129,592	2,129,592
At 31 December	**22,205,640**	**22,205,640**	**19,129,592**	**19,129,592**

The rate at which Sterling denominated loans and borrowings are payable is 2.90% above SONIA (2021: 2.40%).

The bank loans are secured by fixed and floating charges over the assets of the Group. The bank loans are repayable over three years. The Group has £nil undrawn committed borrowing facilities available at 31 December 2022 (2021: £5,000,000).

23. Provisions

Group

	Leasehold dilapidations £	Legal disputes	Total £
At 1 January 2021	**-**	**116,875**	116,875
Charged to profit or loss	-	47,416	47,416
Acquired through business combinations	150,000	**-**	150,000
At 31 December 2021	**150,000**	**164,291**	**314,291**
At 1 January 2022	150,000	164,291	314,291
Charged to profit or loss	-	47,245	47,245
At 31 December 2022	**150,000**	**211,536**	**361,536**
Due within one year or less	-	211,536	211,536
Due after more than one year	150,000	-	150,000
	150,000	**211,536**	**361,536**

Leasehold dilapidations relate to the estimated cost of returning a leasehold property to its original state at the end of the lease in accordance with the lease terms. The main uncertainty relates to estimating the cost that will be incurred at the end of the lease.

The Group is currently involved in a number of legal disputes. The amount provided represents the directors' best estimate of the Group's liability having taken legal advice. Uncertainties relate to whether claims will be settled out of court or if not whether the Group is successful in defending any action. Because of the nature of the disputes, the directors have not disclosed future information on the basis that they believe that this would be seriously prejudicial to the Group's position in defending the cases brought against it.

24. Deferred tax

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 25% (2021:

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 25% (2021: 25%).

Following the Finance Bill 2021, enacted on 24 May 2021, the UK corporate tax rate increased from 19% to 25% on 1 April 2023. As IFRS requires deferred tax to be measured at tax rates that have been substantively enacted at the reporting date, the Group's deferred tax balances have been re-measured accordingly and the impact has been reflected within the consolidated financial statements.

The movement on the deferred tax account is as shown below:

	Group 2022	**Company 2022**	**Group 2021 restated**	**Company 2021**
	£	**£**	**£**	**£**
At 1 January	850,042	660,270	304,853	502,711
Recognised in profit or loss				
Tax expense	(106,637)	(24,936)	1,025	157,559
Transferred to held for sale - discontinued operations	923	-	(1,856)	-
	744,328	**635,334**	**304,022**	**660,270**
Arising on business combination	-	-	546,020	-
At 31 December	**744,328**	**635,334**	**850,042**	**660,270**

Details of the deferred tax liability and amounts recognised in the profit or loss are as follows:

Group	**Accelerated capital allowances**	**Business combinations**	**Other temporary and deductible differences**	**Total**
	£	**£**	**£**	**£**
Balance 1 January 2021	58,005	255,133	(8,285)	304,853
Charges/(credited) to profit or loss	(919)	31,446	(29,502)	1,025
Arising on business combination	-	546,020	-	546,020
Transferred to held for sale - discontinued operations	(1,856)	-	-	(1,856)
Balance 31 December 2021	**55,230**	**832,599**	**(37,787)**	**850,042**
Balance 1 January 2022	55,230	832,599	(37,787)	850,042
Charges/(credited) to profit or loss	1,651	(84,353)	(23,941)	(106,643)
Transferred to held for sale - discontinued operations	929	-	-	929
Balance 31 December 2022	**57,810**	**748,246**	**(61,728)**	**744,328**

24. Deferred tax *(continued)*

Company	**Accelerated capital allowances**	**Reversal of deferred consideration**	**Other temporary and deductible differences**	**Total**
	£	**£**	**£**	**£**
Balance 1 January 2021	1,111	501,600	-	502,711
Charges/(credited) to profit or loss	(841)	158,400	-	157,559
Arising on business combination	-	-	-	-
Balance 31 December 2021	**270**	**660,000**	**-**	**660,270**
Balance 1 January 2022	270	660,000	-	660,270
Charges/(credited) to profit or loss	(260)	-	(24,677)	(24,937)
Balance 31 December 2022	**10**	**660,000**	**(24,677)**	**635,333**

25. Acquisition

During the year ended 31 December 2021, RBG Holdings plc acquired Memery Crystal Limited (subsequently renamed RBG Legal Services Limited). Memery Crystal is a specialist international law firm that offers legal services in a range of areas such as corporate (including a market-leading corporate finance offering), real estate, in a range of areas such as corporate (including a market-leading corporate finance offering), real estate, commercial, IP & technology (CIPT), banking & finance, tax & wealth structuring, employment and dispute resolution.

	Book value £	Adjustment £	Fair value £
Property, plant and equipment	2,509,589	-	2,509,589
Right-of-use assets	-	11,798,710	11,798,710
Trade receivables	4,327,167	-	4,327,167
Other receivables	4,440,189	(113,377)	4,326,812
Brand value	-	1,948,878	1,948,878
Client Contracts	-	338,794	338,794
Trade and other payables	(5,328,635)	2,818,396	(2,510,239)
Lease liabilities	-	(11,685,333)	(11,685,333)
Deferred tax liability	-	(546,020)	(546,020)
Net assets	**5,948,310**	**4,560,048**	**10,508,358**

Fair value of consideration paid

	£
Cash	12,000,000
Shares	11,686,956
Deferred cash consideration	5,648,310
	29,335,266
Goodwill	**18,826,908**

During the year ended 31 December 2022, the Group paid deferred consideration of £2,248,319 (2021: £3,400,000).

26. Share capital

	Authorised			
	2022 Number	**2022 £**	**2021 Number**	**2021 £**
Ordinary shares of 0.2p each	95,331,236	190,662	95,331,236	190,662

	Allotted, issued and fully paid			
	2022 Number	**2022 £**	**2021 Number**	**2021 £**
Ordinary shares of 0.2p each				
At 1 January	95,331,236	190,662	85,592,106	171,184
Other issues for cash during the year	-	-	9,739,130	19,478
At 31 December	**95,331,236**	**190,662**	**95,331,236**	**190,662**

Ordinary shares rank equally as regards to dividends, other distributions and return on capital. Each ordinary share carries the right to one vote.

27. Reserves

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The following describes the nature and purpose of each reserve within equity:

Reserve	**Description and purpose**
Share capital	Amount subscribed for share capital at nominal value.

Share premium	Amount subscribed for share capital in excess of nominal value less transaction costs.
Retained earnings	All other net gains and losses and transactions with owners (e.g., dividends) not recognised elsewhere.

28. Share-based payment

The Group operates two equity settled share-based remuneration schemes: a United Kingdom tax authority approved scheme and an unapproved scheme. Under the schemes the only vesting condition is that the individual remains an employee of the Group over the vesting period.

	2022 Weighted average exercise price £	2022 Number	2021 Weighted average exercise price £	2021 Number
Outstanding 1 January	-	153,437	-	-
Granted during the year	0.11	1,264,977	-	153,437
Forfeited during the year	0.04	(1,132,461)	-	-
Exercised during the year	-	-	-	-
Outstanding at 31 December	0.35	**285,953**	-	**153,437**

The exercise price of options outstanding at 31 December 2022 ranged between £nil and £1.03 (2021: £nil) and their weighted contractual life was 9 years (2021: 8 years). Of the total number of options outstanding at 31 December 2022, 20,000 had vested and were exercisable (2021: 70,000). No options were exercised in the year. The weighted average fair value of each option granted during the year was £0.92 (2021: £1.08).

The following information is relevant in the determination of the fair value of options granted during the year under the equity settled share-based remuneration schemes operated by the Group.

Option pricing model used	**2022 Black-Scholes**	**2021 Black-Scholes**
Weighted average share price at date of grant	£1.18	£1.11
Contractual life (in days)	3,653	3,653
Expected volatility	24%	24%
Expected dividend yield	5%	5%
Risk-free interest rate	1%	1%

The share-based remuneration expense disclosed in Note 7 relates entirely to equity settled schemes. The Group did not enter into any share-based payment transactions with parties other than employees during the year.

29. Related party transactions

Group

During the year, Group companies entered into the following transactions with related parties who are not members of the Group:

Related party	**Supply of services 2022 £**	**Purchase of services 2022 £**	**Supply of services 2021 £**	**Purchase of services 2021 £**
Velocity Venture Capital Ltd*	(713)	222,733	-	387,245
Motorsport Circuit Management Ltd*	11,250	-	7,750	-
N Foulston	-	-	-	-
Winros**	-	794,458	-	848,999

Note: *A company controlled by Nicola Foulston. ** A partnership in which Ian Rosenblatt is a partner

Note: * A company controlled by Nicola Foulston; ** A partnership in which Ian Rosenblatt is a partner.

In addition, during the year, £19,480 of contingent work was performed by the Group in relation to a Conditional Fee Agreement with Winros (2021: £26,842). At 31 December 2022, there were no amounts due to any related party (2021: £nil). At 31 December 2022, £16,500 was due from Motorsport Circuit Management Ltd (2021: £7,750).

Sales and purchase of services to related parties were conducted on an arm's length basis on normal trading terms. The Group has not made any allowance for bad or doubtful debts in respect of related party debtors nor has any guarantee been given or received during 2022 for related party transactions.

There are various other companies controlled by Nicola Foulston, which use the Group's office as their registered address, with which there have been no transactions during the year.

Ian Rosenblatt is not a director of any company in the Group, nor a member of key management personnel, nor does he have a significant influence over the Group. He is a substantial shareholder, as disclosed in the Directors' Report and under the AIM Rules for Companies is classified as a related party.

Total remuneration of Key Management Personnel during the year was £1,285,961 (2021: £1,566,918). Further details of directors' remuneration are given in the Directors' Report.

Company

In addition to the amounts disclosed in the Directors' Report, the Company has entered into the following transactions with related parties.

During 2022, the Company reimbursed fees and expenses paid on its behalf by RBGLS totalling £2,571,884 (2021: £935,335). At 31 December 2022, the company was owed £48,401,054 by RBGLS (2021: £42,970,594) and owed £2,226,035 to RBL Law (2021: £2,001,060).

During 2022, Convex Capital Limited reimbursed fees and expenses paid on its behalf by the Company totalling £571,264 (2021: £9,089). At 31 December 2022, the company owed £647,324 to Convex Capital Limited (2021: £1,398,347 owed to Convex Capital Limited).

During 2022, LionFish Litigation Finance Limited reimbursed fees and expenses paid on its behalf by the Company totalling £1,067,602 (2021: £376,133). At 31 December 2022, the company was owed £4,766,624 by LionFish Litigation Finance Limited (2021: £636,581 owed by LionFish Litigation Finance Limited).

30. Notes supporting statement of cash flows

Significant non-cash transactions from investing activities are as follows:

	2022 **£**	**2021** **£**
Equity consideration for business combination	-	11,686,956

Non-cash transactions from financing activities are shown in the reconciliation of liabilities from financing transactions below:

	Non-current loans and borrowings **£**	**Current loans and borrowings** **£**	**Total** **£**
At 1 January 2022	17,000,000	2,129,592	19,129,592
Cash flows (net)	3,000,000	-	3,000,000
Non-cash flows			
Interest accruing in year	-	76,048	76,048
At 31 December 2022	**20,000,000**	**2,205,640**	**22,205,640**

At 1 January 2021	10,000,000	-	10,000,000
Cash flows (net)	7,000,000	2,000,000	9,000,000
Non-cash flows			
Interest accruing in year	-	129,592	129,592
At 31 December 2021	**17,000,000**	**2,129,592**	**19,129,592**

31. Restatement of prior year

2021 comparatives in the Company statement of financial position and Note 20 have been restated in these financial statements to include the effect of the adjustments as stated in Note 2. The following table presents the impact of these restatements.

	31 December 2021 As originally presented	**Adjustment**	**1 January 2022 Restated**
	£	**£**	**£**
Current assets			
Trade and other receivables	46,748,875	(35,343,534)	11,405,341
Non-current assets			
Trade and other receivables	-	35,343,534	35,343,534

(i) Reclassification of amounts due from Group companies between current and non-current assets

32. Contingent liabilities

The Company has been informed that HMRC has started an inquiry into the valuation of employee related securities issued by the Company in April 2018 prior to the IPO. HMRC have queried the issue of shares between 4 April 2018 and 16 April 2018 at a par value. A valuation of the shares at above the issue price could result in a liability to the recipient of the issued shares which would be required to be collected by the Company and paid to HMRC. Any liability would be re-imbursed in full by the recipient. The directors' belief is that the investigation is without merit.

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[1] All measures apart from net debt and including prior year comparatives are shown on a continuing operations basis unless otherwise stated

[2] Figures for 2021 include seven months of contribution from MemeryCrystal following the completion of the acquisition at the end of May 2021

[3] Comparison shown on a pre-IFRS 16 basis

[4] Comparison shown on a pre-IFRS 16 basis

[5] All measures apart from net debt and including prior year comparatives are shown on a continuing operations basis unless otherwise stated

[6] All measures apart from net debt are shown on a continuing operations basis unless otherwise stated. Prior year comparatives are also shown on a continuing operations basis. Further details on discontinued operations can be found in Note 10.

[7] Comparatives have been restated to present LionFish as a discontinued operation. Refer to Notes 1 and 10 for further details.

[8] Comparatives have been restated to present LionFish as a discontinued operation. Refer to Note 10 for further details.

[9] Comparatives have been restated to present LionFish as a discontinued operation. Refer to Note 10 for further details.

[10] Comparatives have been restated to present LionFish as a discontinued operation. Refer to Note 10 for further details.

[11] Comparatives have been restated to present LionFish as a discontinued operation. Refer to Note 10 for further details.

[12]

[12] Comparatives have been restated to present intercompany balances between current and non-current per Note 31

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