RNS Number : 2521U
AssetCo PLC
28 June 2024

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LEI: 213800LFMHKVNTZ7GV45

AssetCo plc

("AssetCo" or the "Company")

2024 Half-year Report

for the six months ended 31 March 2024

Registered number: 04966347

HIGHLIGHTS

- Operating loss reduced by 65% to £1.6m after adjusting for exceptional items (£1.0m) and before discontinued operations (£0.5m) demonstrating good progress towards profitability following sustained action to reduce costs.
- The total loss for the period was £3.0m.
- Proposed share split with the introduction of a second class of share designed to reflect the Company's economic interest in Parmenion. Existing shares to track the interest in the core equities business, and Company name to change to River Global PLC as a result.
- New business flows for the quarter ending 30 June 2024 expected to be positive, being £39m at 27 June.
- Completion of the acquisition of Ocean Dial Asset Management, adding an estimated £0.9m per annum in net new revenue to the Group from 2 October 2023.
- Good progress in consolidating and simplifying the business with all equity investment management activities (ex Ocean Dial) consolidated to River Global Investors.
- Clear plans established for consolidating back office service providers and for bringing Authorised Corporate Director responsibilities under a single Group entity, simplifying on-going operations and delivering cost/revenue benefits.
- Previously announced cost savings plan on track with some further enhancements to revenue generation and additional cost saving initiatives outlined, resulting in a potential pathway to Group profitability on the assumption of relatively stable revenues.
- Completed the exit from the loss-making Infrastructure business (losses £2.4m in financial year ended September 2023).
- Good active equities investment performance over 1, 5 and 10 year time periods.
- Relatively stable equity assets under management over the period.
- Strong progress at Parmenion with Assets under Management and Advice now approaching £12bn (£10.6bn as at end March 2023).

Martin Gilbert, Chairman of AssetCo, commented:

"The six months to end March 2024 has been a pivotal one in our journey towards profitability and cash generation. The work done in simplifying our business by consolidating equity asset management activities and exiting loss making and complex early stage businesses has helped clear a pathway towards profitability which, with continued hard work and effective execution of our cost saving plan, is starting to look eminently achievable. There remains a dependency on stable revenues but, in that context, it is particularly pleasing to note a couple of substantive and notable wins in UK equities with, finally, some tentative signs of improvement in market sentiment towards the asset class.

I am also pleased to confirm that we are in advanced discussions to partner with two organisations to leverage our expertise and infrastructure to mutual benefit. These potential joint ventures are quite different (one working with an established overseas wealth manager and one bringing a leading global fund manager to market) but both would utilise our established infrastructure to facilitate additional growth. Assets under management are expected to be significant at an early stage and, while initial revenues to the Group are reduced reflecting the role we play in each case, the additional scale and future opportunities are attractive as is the opportunity to work with high calibre individuals and businesses.

Continuing revenues for the six months ended 31 March 2024 of £6.9m (31 March 2023 Restated: £7.1m) have held up relatively well in a turbulent period and the business, while still loss-making, has demonstrated real progress towards profitability, making excellent progress in cost cutting since last year."

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Ticker: AIM: ASTO.L

CHAIRMAN'S STATEMENT

The six months ended 31 March 2024 saw no let up in market pressure. Although most stock markets saw some uplift in value, investor sentiment remained weak and fund flows across the industry remained consistently negative for the period, with industry outflows exceeding £16bn.

The AssetCo Group of companies was sadly not immune from these pressures and the Group saw outflows over the period. The general rise in markets has cushioned the effect to some extent, but the net effect was still to reduce assets under management by some £200m. The acquisition of Ocean Dial Asset Management was a welcome positive offset to that, adding c.£166m at the beginning of October.

Progress in Consolidation

Substantial progress was made in business integration with all equity asset management activities (ex Ocean Dial) centralised and operating out of River Global Investors LLP (previously River and Mercantile Asset Management LLP) from the end of calendar year 2023. This has enabled us to move forward with our plans to expand the activities of SVM Asset Management as Authorised Corporate Director which will eventually cover all the UK open-end funds for the Group and we are progressing a joint venture arrangement with the current ACD for River Global funds, Equity Trustees Fund Services, in order to do so efficiently. Agreement has been reached in principle for the consolidation of back office services (those of Depositary, Custodian and Transfer Agency) under a single provider for our UK funds. This will bring operational efficiencies and cost savings which it is hoped will take full effect around our financial year end. It will also allow us to complete the exercise of re-branding all of our operational entities and funds.

Prospects for Profitability

Run rate annual revenues for the Group (excluding Infrastructure) stood at c.£14.3m at end March 2024 while cost savings set in train before 2023 financial year end aimed to deliver a run rate cost base of c.£18m pa by end of calendar year 2024. This is before accounting for the £2.6m of interest expected in respect of the Group's loan note interest in the Parmenion business, which is paid in kind (as additional loan notes). Further cost savings of c.£3m were identified after financial year end and are now in course of execution and the back office consolidation and ACD implementation, together with further fund rationalisation, are estimated to enhance revenues by c.£0.6m. Taking all these initiatives together and with some yet further cost saving actions in prospect, a clear route to run rate profitability is in prospect so long as revenues remain relatively stable.

Pipeline Business

We were pleased, shortly after period end, to secure two substantial new business wins: one, at over £100m, into our UK Opportunities Fund which has funded and one, at around £20m, into our UK Smaller Companies Fund which has been notified but not yet funded at time of writing. These are the first major mandate wins for us in a considerable period and we hope that they signal a greater interest in our investment proposition and a more positive attitude towards the UK equities market generally.

Financials

The Income Statement for the six months ended 31 March 2024 shows continuing revenue of £6.9m (31 March 2023 restated: £7.1m) and a loss before taxation of £3.0m (31 March 2023 restated: loss £14.5m) which underlines the progress we have made in cost cutting since last year.

Comparison to the previous six-month period is again not straightforward due to changes in the business. The six months to 31 March 2023 did not include a full six months of SVM, which acquisition completed at the end of October 2022 but did include the business of Rize ETF which was disposed of just prior to October 2023, whereas the six months to 31 March 2024 includes a six month contribution from Ocean Dial. The comparison therefore illustrates the benefit to the business of substituting the profitable Ocean Dial business for the loss making Rize one.

Total (balance sheet) assets at 31 March 2023 were £60.7m (31 March 2023: £86.5m) reflecting, in particular, the impact of the significant write downs and other costs of exiting discontinued businesses as well as the re-structuring costs incurred during the course of the previous financial year. The Group held cash of £11.2m and c.£1.7m in treasury shares (at 31 March 2024 share price) at period end.

Continuing to Evolve the Business

We were pleased, at the beginning of October, to complete the acquisition of Ocean Dial Asset Management Limited. Ocean Dial's current business is the management of the assets of the India Capital Growth Fund Limited, which, as at end May 2024, had a net asset value in excess of £150m and an annualised run rate revenue of £1.8m. The acquisition has added c. £0.9m pa in net revenue to the Group and the business is already well integrated albeit further synergies which will be achievable upon full consolidation into River Global Investors in due course. The acquisition is notable both for the access it gives us to investment capability in the world's most populous nation and the partnership it brings with the India Capital Growth Fund Limited.

We announced in October 2023 that agreement had been reached in principle to dispose of the River and Mercantile Infrastructure business. The original agreement did not reach completion and instead a rather simpler arrangement was eventually made which completed at the end of May 2024.

Parmenion

The six month period to 31 March 2024 saw further progress for Parmenion and culminated with group Assets under Advice or Management of £11.7bn compared with £10.6bn at the same time last year. It is encouraging to observe that the business is strongly cash generative and we look forward to continued progression in revenues and EBITDA for Parmenion in 2024.

Name Change and Future Plans

Over the past eighteen months AssetCo's business interests have been simplified considerably and now comprise the wholly owned equities business, trading under the River Global name, and our structured equity interest in the Parmenion platform. The Board believes that the factors driving value in these two lines of business differ significantly in terms of both quantum and timing and that, as a result, they have the potential to appeal to quite different types of investor. In order to better reflect this, and to fully realise the benefit that might result from allowing new and existing investors to access these different value profiles directly, the Board is planning to publish proposals for a share split shortly.

These proposals will give every shareholder a second class of share which will be designed to reflect the Company's economic interest in Parmenion. It is not expected that these shares will be traded on AIM but will be able to be traded on a matched bargain basis more suitable to the nature of the underlying interest. The Company's existing shares will as a result, track the interest in the equities business. In view of this, we are also planning to publish proposals to change the name of the Company to River Global PLC. The Board expects to issue a formal Circular to shareholders seeking approval for these changes in Q3 2024.

Outlook

While market conditions remain challenging, we remain on track to deliver significant cost savings from the Group by calendar year-end. This, combined with the strong performance of many of our funds and the fact that we continue to see numerous avenues for profitable growth, give us continuing confidence in the future of the business.

Martin Gilbert

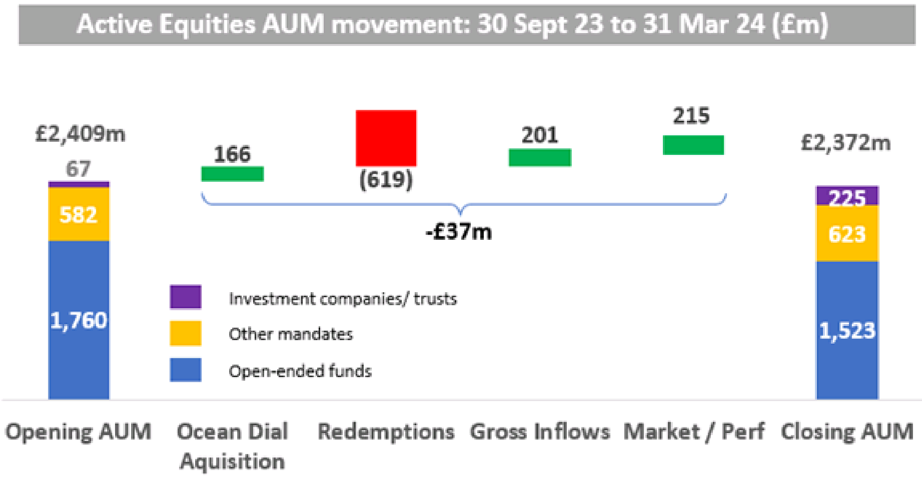
Chairman

28 June 2024

BUSINESS REVIEW

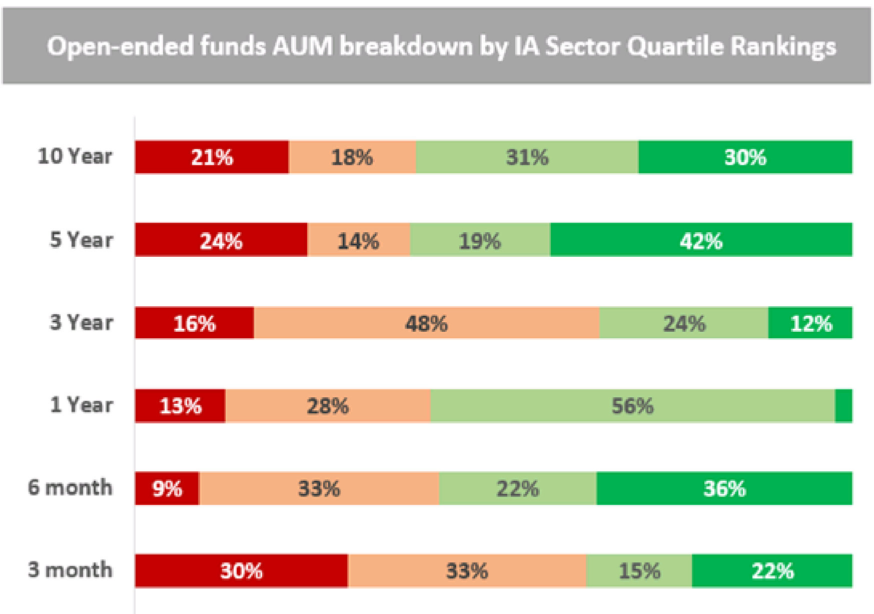
The chart below shows the movement in active equities assets over the period which includes the addition of assets managed by Ocean Dial Asset Management at the point of its formal acquisition by the Group on 2 October 2023.

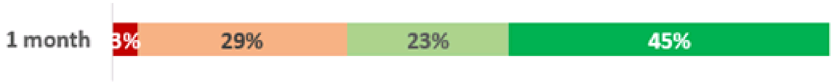
The single biggest detractor during the period was River and Mercantile's loss of an institutional DC pension fund mandate for c.£114m in March 2024. Elsewhere, the inherited under-performance of SVM's UK Growth Fund resulted in significant outflows from that fund prior to its merger into the UK Opportunities Fund. On the plus side, small additions to existing institutional mandates for UK and European equity mandates have been pleasing to see, as has the significant contribution of investment returns to the assets under management at period end.



Investment performance for the Group's active equities funds has been resilient over the period, with particularly strong showings over 10, 5 and 1 year periods.

We were particularly delighted to receive the Lipper award for the best Equity Global Income fund over 3 years for the Saracen Global Income and Growth Fund at the Lipper award ceremony in late April 2024.





	1 month	3 month	6 month	1 Year	3 Year	5 Year	10 Year
4th quartile	3%	30%	9%	13%	16%	24%	21%
3rd quartile	29%	33%	33%	28%	48%	14%	18%
2nd quartile	23%	15%	22%	56%	24%	19%	31%
1 quartile	45%	22%	36%	2%	12%	42%	30%

Source data:
Performance data produced by RGI data and risk systems
AUM splits / proportions are for applicable AUM where strategy / fund has existed for required timeframe and has an applicable benchmark

Assets under management have remained relatively stable over the period, thanks mainly to rises in market values and the addition of assets from Ocean Dial offsetting net outflows. We continue to be encouraged by the positive impact our fund rationalisation and other re-structuring work is having on weighted average fee rates for our wholesale business where the rate has risen from 60bp at financial year end to 64bp at end March.

Annualised Revenue Breakdown by Business Type (as at 31 March 2024)

Business Type	AuM (£m)	Weighted average fee rate, net of rebates (bp)	Gross annualised revenue net of rebates (£000s)
Wholesale (active equities)	1,523	64	9,817
Institutional (active equities)	623	35	2,172
Investment Trust (active equities)	225	99	2,233
Infrastructure	113	68	771
Total	2,484	60	14,993

This table excludes the Group's structured 30% interest in Parmenion which had AuM of £11.7bn at 31 March 2024, and generated revenues of £11m for the period from 1 January 2024.

- Wholesale refers to the active equity assets which are held and managed in mutual funds distributed by the Group.
- Institutional refers to the active equity assets which are held and managed in separate accounts on behalf of institutional clients of the Group.
- Investment Trust refers to the active equity assets which are held and managed in investment trusts which are clients of the Group

Ocean Dial

The Indian Capital Growth Fund managed by Ocean Dial saw a significant increase in value, reflective of performance in the Indian stock market, in the period running up to the completion of the acquisition of Ocean Dial on 2nd October 2023. The investment performance of the Fund was particularly strong under the advice of Gaurav Narain and Team, based in Mumbai and UK, and the Fund's discount narrowed running in to the end of the calendar year. This was particularly helpful in light of the Fund's second biennial redemption offered to all shareholders on the register at 30 September 2023. Shareholders were offered redemption at a 3% discount to net asset value on 29 December 2023 and the discount stood at 3.95% just prior to this, making the redemption offering a not particularly compelling one. In the event a very small number of investors elected to redeem, but the largest shareholder surprisingly chose to do so in full, contrary to prior indications. As a result, c.15% of the Fund was redeemed at year end - somewhat more than we had expected.

Against this, the large shareholder exit was effectively the last of the significant investments by "activist" or "value" investors who seek to actively exploit the discount to generate returns. The remaining shareholder base is now almost entirely "retail" in nature with the result that trading and demand is likely to be more consistent and predictable. In fact, with the largest shareholder gone, the Fund moved to trading at a premium for a period and the Board decided to issue shares from treasury in order to satisfy demand. Some £10.7m was issued in a period of c.6 weeks, effectively recouping some of the redemption cash that was exited.

River and Mercantile Infrastructure LLP ("RMI")

On 6 October 2023 we announced that agreement had been reached in principle for a transfer of our interest in the Infrastructure business out of the Group. In the event, that particular agreement did not come into effect for a variety of reasons, but a revised agreement was reached some months later and the Group effectively exited the Infrastructure business on 21 May 2024.

In practice, we have exited the business by completing arrangements for a third party manager to take on the role of advisor to the Fund with Ian Berry and his RMI colleagues leaving RMI to set up their own advisory business. This brings to a close AssetCo's infrastructure business: RMI has now effectively ceased trading and is expected to be wound up in due course. RMI generated a loss for the business in the full year to end September 2023 of £2.4m; the cost to exit was c.£0.5m.

Parmenion

Parmenion continues to attract strong ratings for its service, scoring first place in 6 out of 11 categories in the Defaqto platform service review 2024. These strong service ratings, together with the addition of a platform switching service in Q4 2023 and the expansion of DFMs available on platform throughout the period has resulted in a strong new business pipeline.

Key Performance Indicators

The following table summarises key performance indicators for the business, illustrating the progression of the business over the period.

	End March 2024	End March 2023	Movement
Total Assets under Management (excluding Parmenion)	£2,484m	£3,261m	-£777m
Active Equities Assets under	£2,371m	£2,766m	-£395m

Active Equities Assets under Management	£2,371m	£2,766m	-£395m
Total (balance sheet) assets	£60.7m	£86.6m	-£25.9m
Annualised revenue[1]	£15.0m	£17.9m	-£2.9m
Profit/loss for the period (including exceptionals and discontinued business)	-£3.0m	-£14.5m (restated)	+£11.5m
Operating profit/loss for continuing business excluding exceptionals	-£1.6m	-£4.6m (restated)	+£3.0m
Investment performance[2] (1 year)	58%	62%	-4% points
Investment performance[2] (3 year)	36%	86%	-50% points
Investment performance[2] (5 year)	61%	45%	+16% points

[1] *Monthly recurring revenue at date shown using annualised closing AuM.*

[2] *% active equity mutual fund AuM in 1st or 2nd quartile when compared to competitor funds in relevant Investment Association sectors.*

Gary Marshall

Chief Financial and Operating Officer

28 June 2024

PRINCIPAL RISKS AND UNCERTAINTIES

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

Risk	Responsibility and Principal Control
Profitability and Going Concern Status: Achieving profitability remains the key focus for the Group: failure to achieve profitability will impact the Board's ability to meet going concern requirements. The Board and Executive continue to focus on costs, income generation and cash management.	**Board/Executive Team:** The Group continues to cut costs. The Group is focused on achieving run-rate profitability and the Board monitors costs and cash management carefully to this end.
Distribution: Fund flows continue to prove challenging, consistent with the experience of other market participants in the current environment. Detailed discussions continue with several potential strategic partners which it is hoped will deliver upside.	**Board/Distribution:** Distributors and markets are carefully targeted and client relationships monitored to identify and mitigate the risk of loss.
Performance and Product: Sustained underperformance and products falling out of favour would further challenge flows.	**Board/Product/Investment Team:** The Group continually monitors and develops its product suite to ensure that it remains competitive and attractive. The Investment Team, in conjunction with Investment Risk, continually monitor fund performance against targets, including style, taking corrective action where necessary.
Loss of Key People: The Firm has reduced headcount significantly but will need to ensure retention of key staff if it is to manage Client, Consultant and Regulatory expectations. There is increasing reliance on a small number of key staff.	**Board/Remuneration Committee:** The Board reviews succession planning for all senior executives. Senior executives are subject to extended notice periods (between six and twelve months). The Group seeks to offer attractive terms as well as a flexible working environment. The Group has introduced a new Restricted Share Plan to help retain senior partners and key staff.
Economic Conditions: The Listed Equities business remains vulnerable to any material fall in equity markets. As noted above, market rises have cushioned the impact of outflows to date.	**Board/Executive Team:** The Group seeks to manage an appropriate balance of fixed and variable costs. In the event of sustained economic downturn, the Group would seek to take early action to cut fixed costs.
Systems and Controls: The Group continues to integrate controls and procedures which are being rolled out across the operating subsidiaries. However, the business remains complex until the end goal operating model is reached and managing multiple service providers (notably ACDs) has generated challenges including rationalisation costs.	**Board/Operations:** The Group has developed a detailed controls framework which is being rolled out across operating subsidiaries to create a consistent, harmonised approach. The Group is consolidating to a single operating model as well as seeking to rationalise service providers.

Risk	Responsibility and Principal Control

CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 31 MARCH 2024

	Note	Six months ended Unaudited 31 March 2024 £'000	Unaudited Restated 31 March 2023 £'000	Year ended Audited 30 September 2023 £'000
CONTINUING OPERATIONS				
Revenue	4	6,926	7,122	14,979
Cost of sales		-	-	-
Gross profit		**6,926**	**7,122**	**14,979**
Other income	**6**	**1,193**	**1,075**	**2,321**
Provision against doubtful debt		-	(1,718)	(1,467)
Other administrative expenses	7	(10,885)	(12,303)	(28,069)
Total administrative expenses		**(10,885)**	**(14,021)**	**(29,536)**
Other gains / (losses)	8	154	-	122
Operating (loss)		**(2,612)**	**(5,824)**	**(12,114)**
Finance income	9	62	2	74
Finance costs		(67)	(136)	(510)
Finance (loss) / income		**(5)**	**(134)**	**(436)**
Share of results of associate		-	266	(352)
(Loss) before tax		**(2,617)**	**(5,692)**	**(12,902)**
Income tax credit	10	154	148	195
(Loss) for the period		**(2,463)**	**(5,544)**	**(12,707)**
(Loss) attributable to:				
Owners of the parent		(2,463)	(5,544)	(12,707)
Non-controlling interest		-	-	-
(Loss) for the period attributable to continuing operations		**(2,463)**	**(5,544)**	**(12,707)**
DISCONTINUED OPERATIONS				
(Loss) from discontinued operation (attributable to equity holders of the company)	**5**	**(518)**	**(8,971)**	**(13,992)**
Total (Loss) attributable to the owners of the parent during the period		**(2,981)**	**(14,515)**	**(26,699)**
	Continuing operations (loss) per ordinary share attributable to the owners of the parent during the period			
Basic - pence (restated)	11	(1.72)	(3.97)	(9.06)
Diluted - pence (restated)	11	(1.72)	(3.97)	(9.06)
	Discontinued operations (loss) per ordinary share attributable to the owners of the parent during the period			
Basic - pence (restated)	11	(0.36)	(6.43)	(9.98)
Diluted - pence (restated)	11	(0.36)	(6.43)	(9.98)
	Total (Loss) per ordinary share attributable to the owners of the parent during the period			
Basic - pence (restated)	11	(2.08)	(10.40)	(19.04)
Diluted - pence (restated)	11	(2.08)	(10.40)	(19.04)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 MARCH 2024

	Note	Six months ended Unaudited 31 March 2024 £'000	Unaudited Restated 31 March 2023 £'000	Year ended Audited 30 September 2023 £'000
(Loss) for the period		(2,981)	(14,515)	(26,699)
Other comprehensive (expense)		-	-	-
Items that may be reclassified to profit or loss		-	-	-
Exchange differences on translating foreign operations		-	-	-
Other comprehensive (expense), net of tax		-	-	-
Total comprehensive (loss)/ for the period		(2,981)	(14,515)	(26,699)
Attributable to:				
Owners of the parent		(2,981)	(14,147)	(26,699)
Non-controlling interests		-	(368)	-
Total comprehensive (loss) for the period		(2,981)	(14,515)	(26,699)

CONSOLIDATED AND COMPANY'S STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2024

	Unaudited 31 March 2024 £'000	Unaudited Restated 31 March 2023 £'000	Audited 30 September 2023 £'000
Assets			
Non-current assets			
Property, plant and equipment	84	42	98
Right-of-use assets	1,048	1,969	1,534
Goodwill and intangible assets	16,834	25,798	13,495
Investments in subsidiaries	-	-	-
Investment in associates	25,820	22,318	24,626
Total non-current assets	43,786	50,127	39,753
Current assets			
Trade and other receivables	5,242	7,618	5,807
Assets held for sale	379	56	-
Financial assets at fair value through profit and loss	9	44	13
Current income tax receivable	-	1,173	1,159
Cash and cash equivalents	11,241	27,548	25,573
Total current assets	16,871	36,439	32,551
Total assets	60,657	86,566	72,304
Liabilities			
Non-current liabilities			
Lease liabilities	577	1,299	950
Deferred tax liabilities	1,651	1,000	905
Total non-current liabilities	2,228	2,299	1,855
Current liabilities			
Trade and other payables	2,973	15,773	14,347
Liabilities held for sale	987	52	-
Lease liabilities	631	750	697
Current income tax liabilities	1,517	1,566	1,465
Total current liabilities	6,108	18,141	16,507
Total liabilities	8,336	20,440	18,362
Shareholders' equity			
Issued share capital	1,493	1,493	1,493
Share premium	209	209	209
Capital redemption reserve	653	653	653
Merger reserve	43,063	43,063	43,063
Other reserve	340	-	95
Retained earnings	6,563	22,170	8,429
	52,321	67,588	53,942
Non-controlling interest	-	(1,462)	-
Total equity	52,321	66,126	53,942
Total equity and liabilities	60,657	86,566	72,304

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 MARCH 2024

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Merger reserve £'000	Other reserve £'000	Retained earnings £'000	Total £'000	Non-controlling interest £'000	Total equity £'000
Balance at 1 October 2022	1,493	-	653	43,063	-	43,139	88,348	(1,094)	87,254
Loss for the period	-	-	-	-	-	(14,147)	(14,147)	(368)	(14,515)
Total comprehensive (loss)	-	-	-	-	-	(14,147)	(14,147)	(368)	(14,515)
Shares bought for treasury	-	-	-	-	-	(6,815)	(6,815)	-	(6,815)
Treasury shares used to settle conversion of loan notes	-	209	-	-	-	1,791	2,000	-	2,000
Dividends paid	-	-	-	-	-	(1,798)	(1,798)	-	(1,798)
Unaudited at 31 March 2023	**1,493**	**209**	**653**	**43,063**	**-**	**22,170**	**67,588**	**(1,462)**	**66,126**
Loss for the period	-	-	-	-	-	(12,184)	(12,184)	-	(12,184)
Total comprehensive (loss) for the period	-	-	-	-	-	(12,184)	(12,184)	-	(12,184)
NCI transfer on sale of Rize ETF Limited	-	-	-	-	-	(1,462)	(1,462)	1,462	-
IFRS2 share scheme charge	-	-	-	-	95	(95)	-	-	-
Audited Balance at 30 September 2023	**1,493**	**209**	**653**	**43,063**	**95**	**8,429**	**53,942**	**-**	**53,942**
Loss for the period	-	-	-	-	-	**(2,981)**	**(2,981)**	-	**(2,981)**
Total comprehensive (loss) for the period	-	-	-	-	-	**(2,981)**	**(2,981)**	-	**(2,981)**

IFRS2 share scheme charge	-	-	-	-	245	-	245	-	245
Treasury shares used in ODAM consideration (note 12)	-	-	-	-	-	1,115	1,115	-	1,115
Unaudited balance at 31 March 2024	**1,493**	**209**	**653**	**43,063**	**340**	**6,563**	**52,321**	**-**	**52,321**

CONSOLIDATED AND COMPANY'S STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31 MARCH 2024

	Notes	**Unaudited 31 March 2024 £'000**	**Unaudited Restated 31 March 2023 £'000**	**Audited 30 September 2023 £'000**
Cash flows from operating activities				
Cash (outflow) from continuing operations		(11,620)	(7,128)	(11,201)
Corporation tax paid		-	-	(137)
Finance costs		-	(33)	-
Net cash (outflow) from Continuing Operations		(11,620)	(7,161)	(11,338)
Net cash inflow / (outflow) from Discontinued Operations		(518)	(2,253)	266
Net cash (outflow) from total operations		(12,138)	(9,414)	(11,072)
Cash flows from investing activities				
Net cash received from acquisitions	12	(1,822)	2,802	2,801
Finance income	9	62	2	74
Finance costs		(67)	-	(14)
Proceeds from sale of investment at fair value through profit and loss		-	-	24
Purchase of property, plant and equipment		-	(22)	(114)
Purchase of intangibles		-	(6)	-
Net cash (outflow)/inflow from investing activities		(1,827)	2,776	2,771
Cash flows from financing activities				
Shares issued for cash		-	209	209
Dividends paid		-	(1,798)	(1,798)
Lease payments		(367)	(454)	(630)
Payments for treasury shares		-	(6,837)	(6,837)
Net cash (outflow)/inflow from financing activities		(367)	(8,880)	(9,056)
Net change in cash and cash equivalents		(14,332)	(15,518)	(17,357)
Cash and cash equivalents at beginning of period		25,573	43,066	43,066
Exchange differences on translation		-	-	(136)
Cash and cash equivalents at end of period		11,241	27,548	25,573

NOTES TO THE FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 MARCH 2024

1. GENERAL INFORMATION AND BASIS OF PRESENTATION

AssetCo Plc ("AssetCo" or the "Company") is the Parent Company of a group of companies ("the Group") which offers a range of investment services to private and institutional investors. The Company is a public limited company, incorporated and domiciled in the United Kingdom under the Companies Act 2006 and is listed on the Alternative Investment Market ("AIM") of the London Stock Exchange. The address of its registered office is 30 Coleman Street, London, EC2R 5AL.

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

The financial information in the Half-year Report has been prepared using the recognition and measurement principles of the UK-adopted International Accounting standards and in conformity with the requirements of the Companies Act 2006. The principal accounting policies used in preparing the Half-year Report are those the Company expects to apply in its financial statements for the year ending 30 September 2024 and are unchanged from those disclosed in the Annual Report and Financial Statements for the year ended 30 September 2023.

The financial information for the six months ended 31 March 2024 and the six months ended 31 March 2023 is unaudited and does not constitute the Group's statutory financial statements for those periods. The comparative financial information for the full year ended 30 September 2023 has, however, been derived from the audited statutory financial statements for that period. A copy of those statutory financial statements has been delivered to the Registrar of Companies.

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

FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of each of the Company's businesses are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in sterling (£), which is the Company's and the Group's functional and presentation currency. There has been no change in the Company's functional or presentation currency during the period under review.

FOREIGN OPERATIONS TRANSLATION

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

DISCONTINUED OPERATIONS

During the financial year ended 30 September 2023 the Group sold two separate operations classified as Discontinued Operations under IFRS 5. These were for the sale of River and Mercantile Asset Management LLC and Rize ETF Limited. River and Mercantile Asset Management LLC represented a specific geographic area of business for the Group (being the USA) and Rize ETF Limited represented a major line of business for the Group. Both sales completed within the year ended 30 September 2023 and so qualify as discontinued operations under the standard for the presentation of these statements.

HELD FOR SALE ASSETS

The Group has classified the Infrastructure business as held for sale for the six months ending 31 March 2024 and for its comparative six month period ending 31 March 2023. The results for the business have been shown under Discontinued Operations for the period and comparative. The audited financials for the year ended 30 September 2023 have not been amended.

The Infrastructure business operates under two entities, "River and Mercantile Infrastructure LLP" and "River and Mercantile Infrastructure GP S.a.r.l.". As at 31 March 2024 there was sufficient conditions for the Infrastructure business to qualify as held for sale under IFRS5. Please see subsequent events (note 14) for further information on the Group's exit of the infrastructure business.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

A. SIGNIFICANT ESTIMATES

VALUATION OF GOODWILL AND OTHER INTANGIBLE ASSETS

Determining the valuation of goodwill and intangible assets arising from a business combination under IFRS 3 contains elements of judgement The Group has acquired customer relationships, acquired brands and computer software included within intangible assets as part of the business combinations.

IMPAIRMENT OF GOODWILL AND OTHER INTANGIBLE ASSETS AND RECOVERABILITY OF COMPANY'S INVESTMENT IN SUBSIDIARIES

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

ESTIMATION OF CURRENT TAX PAYABLE AND CURRENT TAX EXPENSE IN RELATION TO AN UNCERTAIN TAX POSITION

The Group's corporation tax provision of £1,442,000 relates to management's assessment of the amount of tax payable on open positions where the liabilities remain to be agreed with relevant tax authorities - principally due to the Grant Thornton litigation which concluded in 2021. Uncertain tax items for which a provision of £1,437,000 is made relates principally to the interpretation applicable to arrangements entered into by the Group including the application of carried forward losses before 1 April 2017 driven from HMRC guidance on this matter. Due to uncertainty associated with such tax items, it is possible that, on conclusion of open tax matters at a future date, the final outcome may differ significantly. Whilst a range of outcomes is possible, the maximum possible tax payable would be £3,437,000 being £2,000,000 more than currently recognised. At a minimum tax payable could be £nil resulting in a reduction in liabilities of up to £1,437,000.

B. SIGNIFICANT JUDGEMENTS

ACCOUNTING FOR SUBSIDIARIES

During the prior period (the financial year ended September 2023) AssetCo sold its shareholding in Rize ETF Limited.

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

At 30 September 2023 Rize ETF Limited was considered sold and no longer owned by the Group.

RECOVERABILITY OF RECEIVABLES

Advanced drawings and specific other balances in relation to members of a partnership within the Group are held on the balance sheet as receivables until there are accumulated profits to distribute to the members. Judgement is required to assess the likelihood of recoverability of these receivables. At 31 March 2024 the Group has taken a provision of £558,000 against these receivables (30 September 2023: 1,467,000).

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

GOING CONCERN ASSUMPTIONS

Inputs, including stresses, management actions and forecasting all require significant judgement in concluding on going concern. These have been set out in more detail in note 3.

HELD FOR SALE ASSETS

As with all assessments of 'held for sale' assets; they require judgement as to the nature and likelihood of any disposal for the Group. As stated in note 1 the Group has identified the Infrastructure business as held for sale in the period

3. GOING CONCERN

The Group is currently loss making, albeit with a trajectory that evidences reducing operational losses over time and which affords a pathway to profitability. Against this background, the Directors have given careful consideration to the going affords a pathway to profitability. Against this background, the Directors have given careful consideration to the going concern assumption on which the Group's accounts have been prepared. Having carefully considered the Group's operational and regulatory requirements, the Directors have concluded that the Group has adequate financial resources to continue operating for the 12 months from the date of signing these financial statements. On that basis the Directors have continued to adopt the Going Concern basis of accounting in preparing the consolidated Group and Company accounts.

As part of this review, the Directors have prepared projections rolling forward more than two years from the date of signing for the Group under several scenarios from growth to stressed environments. The latter includes a fall of 30% in assets under management over a twelve month period from the period end. Those projections were subject to challenge and review to ensure that appropriate stresses were applied to the projections with key drivers to the stress scenarios taking account of the principal risks and uncertainties identified in the Risk Management section of the Strategic Report on page 14 of the 2023 financial statements. For the purpose of this assessment, management made conservative assumptions regarding future growth, assuming both nil growth and further reductions in revenue. The ability to achieve cost saving measures and the reasonableness of the stress testing applied was considered in the light of those assumptions. Sensitivity analysis and modelling to take account of specific one-off risks to the Group and Company was undertaken in line with the principal risks and uncertainties.

In the event that profitability is not achieved, there will be an increased risk to the going concern assessment in subsequent reporting periods. The risk should be considered in the context that the Group has no external debt and had net cash at 31 March 2024 of £11.2m. The Group is required to hold a minimum level of regulatory capital together with a buffer of at least a 10% at all times.

The Directors also acknowledge less resilience within the Group to one-off shocks and macroeconomic events while losses continue. Principal risks and uncertainties are set out in the Strategic Report of the 2023 Financial Statements on page 15. Current initiatives will deliver further cost savings and the Directors are committed to additional cost saving initiatives as necessary to respond to future business developments. Should there be a need for additional capital, the directors have the option of seeking to raise additional capital, of considering potential partnerships or of re-structuring the business.

4. SEGMENTAL REPORTING

The core principle of IFRS 8 'Operating segments' is to require an entity to disclose information that enables users of the financial statements to evaluate the nature and financial effects of the business activities in which the entity engages and the economic environments in which it operates.

Segment information has historically been presented in respect of the Group's commercial competencies, Active equities, Infrastructure asset management, Exchange Traded Funds and its investment in Digital Platforms.

Active equities comprises the River Global equities business; formerly; RMG, Saracen and Revera; Infrastructure Asset Management is the non-equities infrastructure investment arm of RMG; Exchange Traded Funds is Rize ETF and Digital Platforms represents the Group's investment in the associated company, Parmenion.

The Directors consider that the chief operating decision maker is the Board. Head Office segment comprises the Group Board's management and associated costs and consolidation adjustments.

Intra-segment transactions are disclosed on the face of the segmental report. The amounts provided to the Board with respect to net assets are measured in a manner consistent with that of the financial statements.

CHANGES TO SEGMENTAL REPORTING

By 30 September 2023 the US business has been sold alongside Rize ETF Limited. In addition, the Infrastructure business has been classified as held for sale.

Consequently the US business is now presented as a Discontinued Operation for the purposes of Segmental reporting. Additionally the Exchange Traded Funds segment (fully encompassed by the now sold Rize ETF Limited) has also been moved to Discontinued Operations. Finally, depreciation and amortisation have been removed from the segmental reporting as management no longer places reliance on its analysis at segmental level.

Further detail of these Discontinued Operations can be found in note 1.

ANALYSIS OF REVENUE AND RESULTS BY COMMERCIAL ACTIVITY

FOR THE SIX MONTHS ENDED 31 MARCH 2024

	Active equities £'000	Infrastructure asset management £'000	Head office £'000	Total £'000
Revenue				
Management fees	6,926	362	-	7,288
Marketing fees	-	-	-	-
Total revenue to external customers	**6,926**	**362**	**-**	**7,288**
Segment result				
Operating (loss)/profit	(2,473)	(518)	(139)	(3,130)
Finance income	16	-	46	62
Finance costs	(49)	-	(18)	(67)
(Loss) on sale of subsidiary	-	-	-	-
Share of result of associate	-	-	-	-
(Loss)/profit before tax	(2,506)	(518)	(111)	(3,135)
Income tax	-	-	154	154
(Loss)/profit for the period	(2,506)	(518)	43	(2,981)
Segment assets and liabilities				
Total assets	32,117	379	28,161	60,657
Total liabilities	(4,068)	(987)	(3,281)	(8,336)
Total net assets/(liabilities)	28,049	(608)	24,880	52,321

FOR THE SIX MONTHS ENDED 31 MARCH 2023 (RESTATED)

	Active equities £'000	Infrastructure asset management £'000	Digital platform £'000	Head office £'000	Exchange Traded Funds £'000	Total £'000
Revenue						
Management fees	7,392	230	-	-	-	7,622
Marketing fees	-	-	-	-	788	788
Total revenue to external customers	**7,392**	**230**	**-**	**-**	**788**	**8,410**
Segment result						

Operating (loss)/profit	(6,115)	(1,932)	-	(503)	(6,245)	(14,795)
Finance income	2	-	-	-	-	2
Finance costs	(30)	-	-	(106)	-	(136)
(Loss) on sale of subsidiary	-	-	-	-	-	-
Share of result of associate	-	-	266	-	-	266
(Loss)/profit before tax	(6,143)	(1,932)	266	(609)	(6,245)	(14,663)
Income tax	144	-	-	-	4	148
(Loss)/profit for the period	(5,999)	(1,932)	266	(609)	(6,241)	(14,515)
Segment assets and liabilities						
Total assets	47,592	645	-	25,510	12,819	86,566
Total liabilities	(4,781)	(851)	-	(14,489)	(319)	(20,440)
Total net assets	42,811	(206)	-	11,021	12,500	66,126

The segmental reporting table for the six months ended 31 March 2023 has been restated to reflect the restatement set out in note 6 and to include the sold ILC business within Active equities representing £195,000 of revenue and £413,000 of operating loss in the Active Equities segment as now shown.

ANALYSIS OF REVENUE AND RESULTS BY COMMERCIAL ACTIVITY

AUDITED FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Active equities £'000	Infrastructure asset management £'000	Digital platform £'000	Head office £'000	Discontinued Operations £'000	Total £'000
Revenue						
Management fees	14,419	560	-	-	186	15,165
Marketing fees	-	-	-	-	1,557	1,557
Total revenue to external customers	**14,419**	**560**	**-**	**-**	**1,743**	**16,722**
Segment result						
Operating (loss)/profit	(9,415)	(2,413)	-	(2,500)	(2,832)	(17,160)
Finance income	75	-	-	2,213	(6)	2,282
Finance costs	(450)	-	-	(60)	6	(504)
(Loss) on sale of subsidiary				-	(11,160)	(11,160)
Share of result of associate	-	-	(352)	-	-	(352)
(Loss)/profit before tax	(9,790)	(2,413)	(352)	(347)	(13,992)	(26,894)
Income tax	19	(11)	-	187	-	195
(Loss)/profit for the year	(9,771)	(2,424)	(352)	(160)	(13,992)	(26,699)
Segment assets and liabilities						
Total assets	40,456	173	-	31,675	-	72,304
Total liabilities	(8,039)	(1,013)	-	(9,310)	-	(18,362)
Total net assets	32,417	(840)	-	22,365	-	53,942

5. DISCONTINUED OPERATIONS

Within the year ended 30 September 2023 two businesses were sold and have been classified as Discontinued Operations under IFRS 5. These are River and Mercantile Asset Management LLC and Rize ETF Limited. For full details of these disposals and their impact the year ended 30th September 2023 please refer to the full 2023 financial statements, note 6.

For the period ended 30 March 2024 (and its comparative period) the Infrastructure business has also been classified as a discontinued asset.

6. OTHER INCOME

	Unaudited 31 March 2024 £'000	RESTATED Unaudited 31 March 2023 £'000	Audited 30September 2023 £'000
Interest on loan notes held in associate	1,193	1,075	2,214
Other income	-	-	107
Total other income	1,193	1,075	2,321

INTEREST ON LOAN NOTES HELD IN ASSOCIATE

As set out in the full 2023 financial statements of the Group; the Group has acquired a 30% equity interest in Parmenion Capital Partners LLP via a corporate entity, Shillay TopCo Limited. A large part of the Group's total investment is held by way of loan notes.

During the financial year the Group recognised £1,193,000 of interest on those loan notes and this is reflected in other income.

Prior Year Restatement

Interest on loan notes held for the year ended 30 September 2022 has been restated. The income previously presented was £1,977,000. This was equal to the interest earned and received in cash by Shillay TopCo Limited in the year. The Directors have restated this figure to reflect accrued interest earned but not received.

The impact of this restatement is an additional £713,000 which has been recognised in the prior year relating to interest accrued for, but which had not yet been received in either cash or payment in kind loan notes. This has had the effect of increasing profit and investments in associates by £713,000 for the 2022 year.

As at 30 September 2023 interest is fully accrued up to that date. The restatement has not affected the full year 2023 figures but has reduced the profit shown in the period to 31 March 2023 shown in the prior year interim statements by this amount.

7. ADMINISTRATIVE EXPENSES AND EXCEPTIONAL ITEMS

Included with administrative expenses are exceptional items as shown below:

	Unaudited 31 March 2024 £'000	Unaudited 31 March 2023 £'000	Audited 30September 2023 £'000
Restructuring costs	967	1,197	2,967
Provision against doubtful debt	-	-	1,467
Costs of re-admission to AIM	-	-	-
Exceptional items	**967**	**1,197**	**4,434**
Acquisition costs	-	197	152
Disposal Costs Rize and LLC	-	-	201
Share-based payment expense and social security	279	-	104
Other administrative expenses	9,639	12,627	24,645
Total administrative expenses	**10,885**	**14,021**	**29,536**

Restructuring costs include, salaries of employees being made redundant from the point of notice of redundancy, severance costs, costs associated with the implementation of the new target operating model and guaranteed bonuses awarded by River and Mercantile Group PLC ("RMG") prior to its acquisition (the final tranche of these bonuses will vest in January 2024). The provision against doubtful debt is against the receivables due from the Partners of the Infrastructure business, repayable through future profits.

A further breakdown of administrative costs has been provided below to show staff costs, amortisation and depreciation:

	Unaudited 31 March 2024 £'000	Unaudited 31 March 2023 £'000	Audited 30September 2023 £'000
Staff costs	4,505	7,742	15,429
Amortisation and depreciation	330	589	684
Other administrative costs	6,050	5,690	13,423
Total administrative expenses	10,885	14,021	29,536

8. OTHER GAINS AND LOSSES

	Unaudited 31 March 2024 £'000	Unaudited 31 March 2023 £'000	Audited 30September 2023 £'000
(Reduction) in fair value of asset held for resale	(5)	-	-
Gain on disposal of fair value investments	159	-	122
	154	-	122

9. FINANCE INCOME

Finance income from continuing operations was:

	Unaudited 31 March 2024 £'000	Unaudited 31 March 2023 £'000	Audited 30September 2023 £'000
Interest income	62	2	74
	62	2	74

10. INCOME TAX

	Unaudited 31 March 2024 £'000	Unaudited 31 March 2023 £'000	Audited 30September 2023 £'000
Current tax			
Current tax on (loss)/profits for the period	-	(16)	11
Total current tax expense/(credit)	-	(16)	11
Deferred tax			
Continuing operations	(154)	(132)	(199)
Discontinued operations	-	-	(7)
Total deferred tax (credit)/expense	(154)	(132)	(206)
Income tax (credit)/expense	(154)	(148)	(195)

11. LOSS & EARNINGS PER SHARE

In August 2023 the Company effected a 10 for 1 share split. The prior period share numbers and EPS have been adjusted for this.

this.

BASIC

Basic earnings per share is calculated by dividing the (loss)/profit attributable to owners of the parent by the weighted average number of Ordinary Shares in issue during the year. The weighted average number of shares is calculated by reference to the length of time shares are in issue taking into account the issue date of new shares and any buybacks. The prior year has been restated to split out continuing and discontinued operations.

	Unaudited 31 March 2024 £'000	Unaudited 31 March 2023 £'000	Audited 30September 2023 £'000
(Loss)/profit from continuing operations - £000	(2,463)	(5,544)	(12,707)
(Loss)/profit from discontinued operations - £000	(518)	(8,971)	(13,992)
Total (loss) attributable to owners of the parent	(2,981)	(14,515)	(26,699)
Weighted average number of ordinary shares in issue post share split - no.	142,962,114	139,527,780	140,364,398
Basic earnings per share from continuing operations - pence	(1.72)	(3.97)	(9.06)
Basic earnings per share from discontinued operations - pence	(0.36)	(6.43)	(9.98)
Total basic earnings per share	(2.08)	(10.40)	(19.04)

DILUTED

Diluted earnings per share is calculated by adjusting the weighted average number of Ordinary Shares in issue assuming conversion of all dilutive potential Ordinary Shares.

	Unaudited 31 March 2024 £'000	Unaudited 31 March 2023 £'000	Audited 30September 2023 £'000
(Loss)/profit from continuing operations - £000	(2,463)	(5,544)	(12,707)
(Loss)/profit from discontinued operations - £000	(518)	(8,971)	(13,992)
Total (loss) attributable to owners of the parent	(2,981)	(14,515)	(26,699)
Weighted average number of ordinary shares in issue post share split - no.	142,962,114	139,527,780	140,364,398
Diluted earnings per share from continuing operations - pence	(1.72)	(3.97)	(9.06)
Diluted earnings per share from discontinued operations - pence	(0.36)	(6.43)	(9.98)
Total diluted earnings per share	(2.08)	(10.04)	(19.04)

12. BUSINESS COMBINATION

SUMMARY OF ACQUISITIONS

SVM

On 31 October 2022 AssetCo plc announced the completion of the acquisition of the entire share capital and 100% voting rights of SVM Asset Management Holdings Limited ("SVM"). SVM is an active equities fund management Group based in Edinburgh.

ODAM

On 2 October 2023 the Group completed the acquisition of ODAM. The purchase was for 100% of the shares and voting rights of the Company. The acquisition is earnings enhancing for the Group and it is anticipated that further synergies will be achievable due to further integration of the business in order to capitalise on the existing operating model of the Group.

Details of the purchase consideration are as follows:

	ODAM £'000
Cash paid	2,464
Shares paid	556
Deferred shares (paid 30 January 2024)	556
Total consideration	3,576

The consideration was satisfied by the delivery of 1,464,129 ordinary shares of £0.01 each in the capital of the Company satisfied from shares held in treasury and £2.46m in cash (£1.82m net of cash within the business). A final 1,464,129 Ordinary Shares of the Company, again satisfied from shares held in treasury, were delivered on 30 January 2024. The total paid for the ODAM business was therefore 2,928,258 Ordinary Shares, funded from treasury, and £2.46m in cash (£1.82m net of cash within the business). Using a share price of 38p (being the opening price on the date of Completion) this would represents a fair value paid of £3,576,000.

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

	ODAM £'000
Cash	642
Trade and other receivables	211
Plant and equipment	2
Trade payables	(76)
Other payables	(111)
Total net assets recognised on acquisition	668
Fair value adjustments	
Intangible assets: customer relationships	3,600

Deferred tax liability	(900)
Net identifiable assets/(liabilities) acquired	2,700
Goodwill	208
Net assets acquired	3,576

Acquired receivables

The fair value of acquired trade and other receivables was £211,000, primarily made up of accrued income. No loss allowance was recognised on acquisition.

Management contracts

The initial recognition of the management contract held by Ocean Dial was calculated based on a Multi-period Excess Earnings Method ("MEEM"), estimating a useful life of 12 years for the contract. Management developed a cash flow forecast based on expectations from the year of acquisition making use of historical analysis and management experience in the industry. Revenue growth was estimated on a conservative basis of 2% per Annum offset by a biennial AuM redemption of incrementally larger severity over the years (increasing from 2.5% to 30% redemptions by 2035) representing the shareholders biennial continuation vote; based on management experience, historical analysis of previous voting results and increased probability of redemptions over time. An assumed weighted average cost of capital of 19% was applied, a premium relative to the wider Group's business reflecting the size and equity risk premium associated with the Ocean Dial Business. A deferred tax liability has been recognised in respect of this asset.

Intangible assets in relation to non-contracted relationships

If customer relationships are to be recognised IFRS 3 requires that they must stem from contractual or legal rights or are capable of being separable. Despite being an important driver of value, customer relationships with end investors and intermediaries are neither contractual nor separable and so no value has been ascribed to these relationships.

In addition, it should be noted that other non-contractual assets which reside within Goodwill include inherited value of the incumbent workforce and future strategic value including the potential to manage additional funds utilising the acquired capabilities.

Revenue and profit contribution

The business was accounted for from the date of acquisition (2nd October 2023). This is the first working day of the financial year of the Group and consequently the revenue and operating results of the Group would have been unaffected by accounting for the acquisition from 1st October 2023. Revenue for the 6 months ended 31 March 2024 was £945,000 and contributing £441,000 to the profit before tax of the Group.

PURCHASE CONSIDERATION - CASH OUTFLOW

Outflow of cash to acquire subsidiaries, net of cash acquired

	2023 £'000
Cash consideration	2,464
Less: balances acquired	(642)
Net (inflow)/outflow of cash - investing activities	1,822

Acquisition-related costs

Directly attributable acquisition related costs for ODAM were £25,000 including those not directly attributable to the issue of shares. Incidental costs are included in administrative expenses in the statement of profit or loss.

13. RECONCILLIATION OF LOSSES AND PROFITS BEFORE TAX TO NET CASH INFLOW FROM OPERATIONS

	Unaudited 31 March 2024 £'000	Unaudited Restated 31 March 2023 £'000	Audited 30September 2023 £'000
(Loss)/profit for the year before taxation	(2,617)	(5,692)	(12,902)
Share-based payments	-	-	
-- in respect of LTIP	-	-	-
Cash effect of LTIP	-	-	-
Share of (loss) / profits of associate	-	(266)	352
Interest received from associate	-	(1,076)	(2,213)
Increase in investments	(4,794)	(7)	-
Reduction in fair value of investments	4	-	-
Gain on disposal of fair value investments		-	-
Impairment of investments		-	-
Proceeds of asset held for resale		-	-
Bargain purchase	-	-	-
Depreciation	14	14	28
Amortisation of intangible assets	320	386	665
Amortisation of right-of-use assets	486	431	860
Finance costs	67	136	510
Movement in foreign exchange	-	-	(76)
Finance income	(62)	(2)	(74)
Provision against doubtful debt	-	1,718	1,467
Dividends from investment held at fair value		-	-
Decrease in receivables	832	612	3,841
(Decrease)/increase in payables	(5,870)	(3,382)	(3,659)
Cash (outflow)/inflow from continuing operations	(11,620)	(7,128)	(11,201)

14. POST BALANCE SHEET EVENTS

Sale of Interest in River and Mercantile Infrastructure LLP ("RMI")

On 6 October 2023 the Group announced it had reached an agreement in principle to transfer its interest in RMI to the partners of RMI, which would then continue to operate outside the Group. Subsequent dialogue with the partners of RMI and investors in the fund advised by RMI identified a different route forward whereby the fund continued to be appropriately advised by a third party and the partners of RMI established a business outside the AssetCo Group. The transaction to effect this completed on 21 May 2024 with the result that AssetCo and River Group have now exited the Infrastructure business and RMI has effectively ceased operations.

END