Interim Results

Released : Dec 13 2022

RNS Number : 4500J
finnCap Group PLC
13 December 2022

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finnCap Group plc ("finnCap" or the "Company")

Interim Results for the six months ended 30 September 2022

Diversification Delivered - Performance remains in line with management expectations

H1 23 Operational Overview

- **Diversification strategy continues to deliver with over 80% of deal fees from non-ECM services**
  - Diversification has created a more resilient business - we are no longer a traditional corporate broker
  - Focus remains on building a sector-focused financial advisory firm
  - Key services include: public and private M&A; public equity advisory, fund raising and related activities; private capital raising; and debt advisory
  - Continue to make selective hires to strengthen capability whilst managing the cost base cautiously
  - Expansion into advisory areas outside our key service areas has been de-prioritised

- **Delivering for clients: 33 transactions in H1 23 with aggregate deal value of £740m**
  - Raised c.£80m equity through 10 public market placings (H1 22: 14 deals; £250m raised)
  - Advised on 11 private M&A deals with aggregate value of c.£430 million (H1 22: 13; £1bn)
  - Advised on 4 public company M&A deals with an aggregate value of c.£75m (H1 22: 4; £500m)
  - Completed 8 debt financing mandates raising c.£160m (H1 22: 6 deals raising c.£250m)

- **Controlling our costs**
  - Significant reduction in fixed cost base implemented from September 2022
  - FY24 fixed cost base substantially reduced to c.£28m from c.£31.5m H123 run rate[2]
  - Reduced discretionary spend and headcount reduction without impacting client service levels
  - Marketing of surplus office space under way, further savings identified

- **Challenging operating environment**
  - UK equity issuance subdued since the invasion of Ukraine - H1 23 decline in AIM issuance of c.70%[3]
  - Significant economic uncertainty with rising interest rates and inflation impacting investor confidence
  - Private and plc M&A activity has continued but deal financing has become more challenging

H1 23 - Financial Highlights

- Total revenue £16.4m (H1 22: £31.7m) down 48% vs H1 22 our record half year revenue performance
- finnCap Capital Markets revenue £9.3m (H122: £15.6m)
- finnCap Cavendish revenue £7.1m (H121: £16.1m) in line with 5 year average HY level
- Adjusted PBT[1] of £(0.6)m (H1 22: Adjusted PBT of £7.2m); PBT of £(2.6)m (H1 22: PBT£6.3m)
- Adjusted basic EPS:[1] (0.30)p (H1 22: 3.54p); Basic EPS: (1.82)p (H1 22: 2.96p)
- Cash balance: £11.1m at 30 September 2022 (31 March 22: £24.4m) post investment in Energise Limited; FY22 corporation tax and FY22 discretionary compensation payments

Current Trading

- Q3 trading remains in line with our full year expectations
- Deal pipeline remains solid and continues to grow with equity fund raisings, potential VCT eligible IPOs and private M&A transactions scheduled to complete in the coming months

FY23 Interim and Full Year Dividends

- Board remains committed to paying attractive dividends to shareholders
- However, in light of the uncertain economic environment, no interim dividend will be paid and the decision on dividends for FY23 will be made in conjunction with the publication of FY23 final results

Commenting on the results, John Farrugia, Chief Executive Officer, said:

"Today's results demonstrate the resilience of our diversified business model and that our strategy of building a broader-based financial advisory firm has benefitted us during this sharp downturn. We have delivered a good H1 private and public M&A performance helping to offset the well publicised weakness in the equity issuance market which is affecting all of our competitors. Despite the challenging macro environment, our H1 results were in line with our expectations and the Group continued to deliver for clients executing 31 transactions with an aggregate value of c.£700m.

It is likely that these adverse conditions will continue for some time and we have therefore taken appropriate steps to reduce our fixed operating cost base by managing discretionary spending and reducing headcount across all functions of the firm to align it with the opportunity we see ahead of us. These cost savings have already been implemented and the Group is now re-set and focused on building positive momentum.

Relative to H1, Q3 has begun well with the ECM team closing a number of equity fund raisings, including for Xeros Technologies and Surface Transforms, the completion of the acquisition of Attraqt PLC and private M&A transactions including the sale of Peach Pubs. Our pipeline of private M&A transactions remains good and we currently have over 36 mandates signed and in various stages of execution.

Given the uncertain operating environment, no interim dividend will be paid and we will make a decision on a final dividend for FY23 once we have completed the year and have greater clarity on the outlook for the business and our industry in 2023."

The information contained within this announcement is deemed to constitute inside information as stipulated under the retained EU law version of the Market Abuse Regulation (EU) No. 596/2014 (the "UK MAR") which is part of UK law by virtue of the European Union (Withdrawal) Act 2018. The information is disclosed in accordance with the Company's obligations under Article 17 of the UK MAR. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

Contacts

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Notes to Editors

About finnCap Group

finnCap Group is a diversified financial advisory firm offering a full range of services across M&A advice, equity and debt capital raising and related services to corporate and institutional clients and high net worth investors including private equity and family offices. It has particular strength in the technology, life sciences, consumer and business services sectors. finnCap Group has global reach through its affiliation with the Oaklins partnership and access to net zero and carbon economy consultancy through its partnership with Energise Limited.

Notes:(1) Adjusted LBT, PBT and EPS are calculated excluding share-based payments, amortisation of intangible assets from the acquisition of Cavendish Corporate Finance LLP, non-recurring costs and includes, for EPS, an adjustment to normalise tax. The weighted average number of shares in issue during the period excludes shares held by the Group's Employee Benefit Trust.

(2) Being total fixed employee costs (ie excluding IFRS 2 share-based payments charges and discretionary compensation) plus non-employee costs.

(3) AIM placings >£5m per London Stock Exchange to 30 September 2022.

Diversity of services - a key strength in a challenging equity environment

The operating environment in H1 2023 could not contrast more sharply with H1 2022 - when we delivered our best ever half-yearly results with strong revenues from both the ECM and M&A teams.

Since the invasion of Ukraine, a combination of economic uncertainty, sharply rising inflation and rising interest rates have hit investor confidence and the volume of UK equity issuance - our key driver of ECM revenues - which has fallen substantially from recent, record levels. In H123, overall equity issuance on AIM in H1 was c.£0.8bn (H122: £3.0bn) (source: London Stock Exchange).

The Group's strategy of diversification into new products and services, in particular the private M&A market through its acquisition of Cavendish, coupled with our plc M&A franchise and debt advisory team, means that we are continuing to bring in good levels of revenue despite weakness in the equity issuance market. We believe that, with c.90% of deal fees being earned outside the core ECM business our performance in this period will be comparatively better than our ECM focused peers.

Overall, we have been active for our clients executing 33 transactions with an aggregate deal value of £740m (H1 22: 37 transactions with an aggregate value of £2bn).

Our balance sheet remains strong and in line with our liquidity objective at the half year with the reduction from March's balance being driven by payment of year-end discretionary compensation, corporation tax and the Group's investment in Energise Limited.

Divisional performance - delivering for our clients

finnCap Capital Markets (ECM) generated £9.3m in H122 (H122: £15.6m).

Retainers - Total fees from retainers in the period increased to £3.5m (H122: £3.2m) driven by RPI adjustments to annual ECM retainers. Client numbers were broadly stable at 118 (H1 22: 116) with several new clients currently in our formal take-on process.

Transactions - Total fees received from transactions in the period were £3.9m (H122: £8.7m).

In the half year, finnCap Capital Markets raised over £70m (H1 22: £250m) across 11 (H1 22: 14) equity fundraisings for listed clients. The plc advisory team completed 4 transactions with an aggregate value of c.£80m and the debt advisory team, which works across both finnCap Capital Markets and finnCap Cavendish, completed 8 fund-raising mandates raising c.£160m and billing over £0.6m in line with last year.

Trading - Trading revenues were £1.9m (H1 22: £3.7m), reducing in line with the wider equity issuance markets, market volumes and activity decreased during H1.

Despite this backdrop, our pipeline of potential transactions in ECM remains good - with many of our clients needing to raise equity to fund growth and strengthen their own balance sheets and continued plc M&A activity where we have a strong franchise. In ECM, deal fee revenue trends have been better than in H1 and, although activity remains muted, we currently expect that ECM will deliver an H2 revenue performance in line or slightly ahead of H1. During H1 with lower ECM activity we have focused on client service. Although M&A activity has been high on AIM, client numbers remained stable in the period with 9 new client wins and four currently in take on.

finnCap Cavendish (M&A) delivered another good half year revenue performance closing 11 deals with an aggregate market value of c.£430m and with average success fees of c.£600k, near to our target level of £650k. As expected, this is well down on our record half year in H1 22 but overall performance was in line with 5 year average revenue levels. Although the financing of deals is currently more challenging than at the start of 2022, we see continued buyer confidence - both trade and private equity - and good competition for quality assets.

Overall finnCap Cavendish generated revenues of £7.1m (H1 22: £16.1m). Activity levels remain good and given our good pipeline, we currently expect that our H2 M&A revenue will be in line with or ahead of our H1 performance.

Strategy - transition from ECM corporate broker to strategic financial adviser complete

We remain committed to our strategy of broadening and deepening our strategic financial advisory capabilities through development of our in-house teams and selective hiring where appropriate. We believe that this strategy - implemented over several years - has created a business better capable of mitigating the cyclicality of our original ECM focused corporate broking business model.

We will continue to deepen our sector-based approach to ensure that we maximise our relevance to clients be they institutional, private equity, corporate or high net worth individuals and focusing on those clients where we can be best equipped to deliver their objectives.

Whilst we will continue to consider potential M&A opportunities we expect that these will be focused on businesses and teams offering services within or directly adjacent to our existing financial services advisory offering. In the medium term we are unlikely to diversify away from this core focus and currently are not actively considering any acquisition opportunities.

Managing our costs for the current environment

After a period of strong revenue growth and investment in people, we have seen the fixed cost base in the business - employee costs excluding discretionary pay plus non-people operating expenses - rise from c.£22.0m in FY20 to c.£31.5m(2) in FY23, (annualising our H1 performance). This increase of c.50% is substantially ahead of our growth in headcount at 30 September (c.20%) and is driven by a number of factors including, high wage inflation in our sector for client facing staff; the cost of the Group's new property; higher corporate costs (eg insurance) and investment in better IT systems to support sales and trading, CRM and cyber risks.

With lower revenue and a more focused strategy, the Group undertook a focused restructuring programme in September - including both voluntary and mandatory redundancies - losing c.15 heads across all parts of the Group and at all levels. In addition, we have reviewed and cut our discretionary spend, in particular around marketing events and branding. We have also relocated teams more effectively within our new offices and are in the process of marketing surplus office space which should generate a further saving in the next financial year without preventing us selectively growing headcount when conditions permit.

In aggregate, we expect that the Group's fixed cost base(2) will be reduced to c.£28m for FY24.

Overall, in H1, administrative expenses decreased by c.31%. Employee benefit expense decreased by 41% and discretionary bonus payments for H1 were very limited. Staff costs as a percentage of revenue were c.67% reflecting the impact of much lower revenues

Non-employee costs in H1 were £5.7m (H1 22: £5.2m), up 10% - in line with our expectations and guidance for FY23 and reflects, in particular, higher IT costs (where software pricing inflation and investment in cyber security have been key drivers) and travel and marketing expenditure post the pandemic impacted period. Taking into account the benefits of the cost reduction measures we have taken in H1, we expect non-employee costs to be c.£10.5m (excluding third-party introductory fees) for FY23.

Non staff costs per employee - a key efficiency measure - was broadly stable at £36k (H1 22: £34k).

Energise full year revenues up 40%

Our joint venture Energise Limited ("Energise"), an energy efficiency and net zero consultancy, in which the Group invested c. £2m for a 50% interest in May, has completed its financial year to 30 September 2022. Unaudited revenue was £1.5m up c.40% on the prior year and Energise recorded a loss before taxation of c£0.3m in line with our expectations and consistent with its strategy to drive revenue growth through hiring consultants and driving client growth over the next 3 years.

Non-recurring expenditure

In H1 we incurred c.£1.4m of non-recurring expenditure with c.£1.2m for the headcount restructuring and CEO departure and c. £0.2m of legal and advisory fees related to the potential take-over with Panmure Gordon Group Limited which were mutually terminated in November.

There are expected to be further non-recurring items in H2 as certain of the employee settlements have been settled since the half year end and payments under some of the arrangements are contingent on a number of factors including mitigation clauses related to terms of subsequent re-employment.

Capital and liquidity position in line with our target

The Group's cash position at 30 September 2022 was £11.1m with the reduction from 31 March 2022 being driven by payment of discretionary compensation for FY22, the FY22 corporation tax liability, a basic fit out of our spare office space (making it suitable for sub-letting) and our £2.1m investment in Energise Limited. The underlying cash reduction was c.£1.3m. Cash is stated before the £1.0m balance of the fit-out loan which is payable in instalments over the next 3 years.

Maintaining a strong liquidity position and the longer-term financing of our office move means that the Group is better able to withstand challenging operating conditions such as those we are currently experiencing.

Operating responsibly

In August we held our second The Side Hustle competition with our partners ACCA and YourGamePlan providing the winning youth entrepreneurs with funding to grow their businesses and active mentoring by our corporate finance and marketing teams. We have agreed to continue sponsoring this competition and supporting YourGamePlan Limited with the creation and development of its entrepreneurship education materials.

In terms of supporting our broader community:

- In May we sponsored ten Ukrainian refugees to gain English language and UK accreditation through sponsorship of Refuaid - part of the Ukraine Business Consortium.
- We continue to support the Whitechapel Mission (an East London based charity that provides food, clothing and support for people in need) through employee volunteering.
- We provided a team to implement an organised canal clean up in East London.

We have now operated our Employee Volunteer scheme for over 18 months. In FY23, Staff members have volunteered over 200 hours acting as swimming judges, running winter coat collections, and raising money for a wide variety of charities important to them. We have also hosted client education events around ESG, targeting NEDs, executives and investors focused on ESG reporting.

Rewarding shareholders

The Board recognises the importance of income to its shareholders and intends to continue to pay attractive dividends where appropriate and, in October 2022, the Group paid £2m to shareholders as the final dividend for FY22.

However, given the uncertain operating environment, no interim dividend for FY23 will be paid and the decision on dividends for the current financial year will be taken with the publication of the Group's full year results.

Q3 Trading and Outlook

The equity issuance market remains subdued with investors being highly selective about deal participation and pricing. Trading volumes are also muted. However, in a very quiet market, we have completed two sizeable offerings in H2 including for Xeros Technologies plc and Surface Transforms PLC. Overall ECM deal fees are already at around 50% of those recorded in H1. In the context of this environment, our ECM performance has been good and the pipeline is in good shape.

Activity in the M&A market remains favourable albeit debt financing for larger private equity deals is more challenging. The M&A pipeline remains good and we currently have 36 mandates at various stages of execution. Revenue is building well and we expect H2 M&A revenue to exceed H1.

With a more efficient cost base and a solid balance sheet we are well placed to deliver a result for FY23 in line with our expectations and are confident in the long-term prospects for the Group.

John Farrugia
Chief Executive Officer
13 December 2022

Consolidated Statement of Comprehensive Income

Unaudited for the 6 months ended 30 September 2022

	Notes	6 months ended 30 September 2022 Unaudited £'000	6 months ended 30 September 2021 Unaudited £'000	12 months ended 31 March 2022 Audited £'000
Revenue	2	16,352	31,687	52,545
Other operating (loss)/income	3	(138)	(26)	13
Total income		**16,214**	**31,661**	**52,558**
Administrative expenses	4	(17,057)	(25,120)	(43,941)

Operating (loss)/profit before non-recurring items		**(843)**	**6,541**	**8,617**
Non-recurring items	5	(1,444)	-	-
Operating (loss)/profit		**(2,287)**	**6,541**	**8,617**
Finance income		22	6	12
Finance charge		(242)	(265)	(524)
Share of joint venture loss		(85)	-	-
(Loss)/Profit before taxation		**(2,592)**	**6,282**	**8,105**
Taxation		(487)	(1,484)	(1,594)
(Loss)/Profit attributable to equity shareholders		**(3,079)**	**4,798**	**6,511**
Total comprehensive (loss)/income for the period		**(3,079)**	**4,798**	**6,511**

Consolidated Statement of Financial Position

Unaudited as at 30 September 2022

		30 September 2022	30 September 2021	31 March 2022
		Unaudited	**Unaudited**	**Audited**
		£'000	**£'000**	**£'000**
Non-current assets				
Property, plant and equipment		12,518	13,833	13,304
Intangible assets		13,514	13,372	13,512
Investment in joint venture		2,218	-	-
Financial assets held at fair value		729	635	802
Deferred tax asset	8 i)	133	888	620
Total non-current assets		**29,112**	**28,728**	**28,238**
Current assets				
Trade and other receivables	8 ii)	11,186	12,725	13,074
Current assets held at fair value		213	967	871
Cash and cash equivalents		11,124	22,588	24,435
Total current assets		**22,523**	**36,280**	**38,380**
Total assets		**51,635**	**65,008**	**66,618**
Non-Current liabilities				
Lease liability		10,829	13,876	11,151
Borrowings		667	1,037	851
Provisions		30	261	94
Total non-Current liabilities		**11,526**	**15,174**	**12,096**
Current liabilities				
Trade and other payables		9,122	15,158	20,389
Corporation taxation		-	1,600	714
Borrowings		364	343	356
Total current liabilities		**9,486**	**17,101**	**21,459**
Equity				
Share capital		1,811	1,779	1,799
Share premium		1,716	1,355	1,475
Own shares held	8 iii)	(1,926)	(1,726)	(1,926)
Merger relief reserve	8 iv)	10,482	10,482	10,482
EBT Reserve		(338)	-	(322)
Share based payments reserve		1,588	1,964	1,294
Retained earnings		17,290	18,879	20,261
Total equity		**30,623**	**32,733**	**33,063**
Total equity and liabilities		**51,635**	**65,008**	**66,618**

Consolidated Statement of Cash Flows
Unaudited for the 6 months ended 30 September 2022

	6 months ended 30 September 2022 Unaudited £'000	6 months ended 30 September 2021 Unaudited £'000	12 months ended 31 March 2022 Audited £'000
Cash flows from operating activities			
(Loss)/Profit before taxation	(2,592)	6,282	8,105
Adjustments for:			
Depreciation	891	845	1,739
Amortisation of intangible assets	31	74	83
Finance income	(22)	(6)	(12)
Finance charge	242	265	524
Share based payments charge	386	832	1,100
Net fair value gains/(loss) recognised in profit or loss	138	26	(55)
Payments received for non-cash assets	(15)	-	(448)
	(941)	**8,318**	**11,036**
Changes in working capital:			
(Increase)/Decrease in trade and other receivables	1,888	(4,945)	(5,292)
(Decrease)/Increase in trade and other payables	(10,420)	1,008	4,456
(Decrease)/Increase in provisions	(64)	166	(1)
Cash (outflow)/inflow generated from operations	**(9,537)**	**4,547**	**10,199**
Net cash receipts/(payment)s for current asset investments held at fair value through profit or loss	658	(1,039)	(943)
Tax paid	(1,141)	(632)	(1,628)
Net cash (outflow)/inflow from operating activities	**(10,020)**	**2,876**	**7,628**
Cash flows from investing activities			
Purchase of property, plant and equipment	(112)	(74)	(454)
Purchase of intangible assets	(25)	(46)	(182)
Investment in Joint Venture	(2,022)	-	-
Proceeds on sale of investments	-	1,186	1,515
Interest received	22	6	12
Net cash (outflow)/inflow from investing activities	**(2,137)**	**1,072**	**891**
Cash flows from financing activities			
Equity dividends paid	-	(1,638)	(2,639)
Proceeds from exercise of options	3	441	581
Purchase of own shares	-	-	(843)
Interest paid	(21)	(27)	(51)
Lease liabilities payments	(960)	(400)	(1,223)
Net repayment of borrowings	(176)	(170)	(343)
Net cash outflow from financing activities	**(1,154)**	**(1,794)**	**(4,518)**
Net (decrease)/increase in cash and cash equivalents	(13,311)	2,154	4,001
Cash and cash equivalents at beginning of period	24,435	20,434	20,434
Cash and cash equivalents at end of period	**11,124**	**22,588**	**24,435**

Reconciliation of net debt			
Net increase in cash and cash equivalents	(176)	(170)	(343)
Borrowings at beginning of period	1,207	1,550	1,550
Borrowings at end of period	**1,031**	**1,380**	**1,207**

Consolidated Statement of Changes in Equity
Unaudited for the 6 months ended 30 September 2022

	Share Capital £'000	Share Premium £'000	Own Shares Held £'000	EBT Reserve £'000	Merger Relief Reserve £'000	Share Based Payment Reserve £'000	Retained Earnings £'000	Total Equity £'000
Balance at 31 March 2021	**1,737**	**956**	**(1,726)**	**-**	**10,482**	**1,132**	**15,719**	**28,300**
Total comprehensive income for the period	-	-	-	-	-	-	4,798	4,798
Transactions with owners:								
Share based payments charge	-	-	-	-	-	832	-	832
Dividends	-	-	-	-	-	-	(1,638)	(1,638)
Share options exercised	42	399	-	-	-	-	-	441
	42	**399**	**-**	**-**	**-**	**832**	**(1,638)**	**(365)**
Balance at 30 September 2021	**1,779**	**1,355**	**(1,726)**	**-**	**10,482**	**1,964**	**18,879**	**32,733**
Total comprehensive income for the period	-	-	-	-	-	-	1,713	1,713
Transactions with owners:								
Share based payments charge	-	-	-		-	268	-	268
Deferred tax on share-based payments	-	-	-		-	-	(268)	(268)
Purchase of shares	-	-	(843)		-	-	-	(843)
EBT Gift	-	-	-	100	-	-	-	100
Dividends	-	-	-		-	-	(1,001)	(1,001)
Share options exercised	20	120	643	(422)	-	(938)	938	361
	20	**120**	**(200)**	**(322)**	**-**	**(670)**	**(331)**	**(1,383)**
Balance at 31 March 2022	**1,799**	**1,475**	**(1,926)**	**(322)**	**10,482**	**1,294**	**20,261**	**33,063**
Total comprehensive loss for the period	-	-	-	(16)	-	-	(3,063)	(3,079)
Transactions with owners:								
Share based payments charge	-	-	-	-	-	386	-	386
Investment in Join Venture	9	241	-	-	-	-	-	250
Share options exercised	3	-	-	-	-	(92)	92	3
	12	**241**	**-**	**-**	**-**	**294**	**92**	**639**
Balance at 30 September 2022	**1,811**	**1,716**	**(1,926)**	**(338)**	**10,482**	**1,588**	**17,290**	**30,623**

Notes to the Financial Statements

Unaudited for the 6 months ended 30 September 2022

1. Basis of preparation

finnCap Group plc (the "Company" and together with its subsidiaries, the "Group") is a public limited company, limited by shares, incorporated and domiciled in England and Wales. The Company was incorporated on 28 August 2018. The registered office of the Company is at 1 Bartholomew Close, London EC1A 7BL, United Kingdom. The registered company number is 11540126. The Company is listed on the AIM of the London Stock Exchange.

These unaudited consolidated Interim Financial Statements have been prepared in accordance with AIM Rule 18. The financial information contained in the Interim Financial Statements is unaudited and does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006.

The statutory accounts for the 12 months ended 31 March 2022 have been delivered to the Registrar of Companies. The statutory accounts have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards as adopted by the European Union and the IFRS Interpretation Committee interpretations (collectively IFRSs), and in accordance with applicable law. The Independent Auditor's Report to the members of finnCap Group plc contained no qualification or statement under section 498 (2) or (3) of the Companies Act 2006.

These consolidated Interim Financial Statements contain information about the Group and have been prepared on a historical cost basis except for certain financial instruments which are carried at fair value. Amounts are rounded to the nearest thousand, unless otherwise stated and are presented in pounds sterling, which is the currency of the primary economic environment in which the Group operates.

The preparation of these Interim Financial Statements requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies. Judgements and estimates used in these Interim Financial Statements have been applied on a consistent basis with those use in the statutory accounts for the 12 months ended 31 March 2022.

The Directors believe that the Company has adequate resources to continue trading for at least 12 months from the date of approval of this report. Accordingly, they continue to adopt the going concern basis in preparing the Interim Financial Statements.

2. **Segmental reporting**

The Group is managed as an integrated full-service financial services group and the different revenue streams are considered to be subject to similar economic characteristics. Consequently, the Group is managed as one business unit.

The trading operations of the Group comprise of Corporate Advisory and Broking, Private M&A Advisory and Institutional Stockbroking. The Group's revenues are derived from activities conducted in the UK, although several of its corporate and institutional investors and clients are situated overseas. All assets of the Group reside in the UK.

	6 months ended 30 September 2022 Unaudited £'000	6 months ended 30 September 2021 Unaudited £'000	12 months ended 31 March 2022 Audited £'000
Revenues			
Retainers	3,452	3,173	6,615
Transactions	3,912	8,688	15,767
Institutional Stockbroking	1,917	3,696	5,903
Total ECM	**9,281**	**15,557**	**28,285**
Private M&A advisory	7,071	16,130	24,260
Total Revenue	**16,352**	**31,687**	**52,545**
Services transferred at a point in time	12,100	27,254	43,462
Services transferred over a period of time	4,252	4,433	9,083
Total Revenue	**16,352**	**31,687**	**52,545**

3. **Other operating income**

	6 months ended 30 September 2022 Unaudited £'000	6 months ended 30 September 2021 Unaudited £'000	12 months ended 31 March 2022 Audited £'000
Other operating income	(138)	(26)	13

4.

4. **Expenses by nature**

	6 months ended 30 September 2022	6 months ended 30 September 2021	12 months ended 31 March 2022

	Unaudited	Unaudited	Audited
	£'000	£'000	£'000
Employee benefit expense	11,329	19,958	33,081
Non-employee costs	5,728	5,162	10,860
Total administrative expenses	**17,057**	**25,120**	**43,941**
Total number of employees	**161**	**135**	**165**

Employee benefit expense includes share-based payments which decreased to £386k (H1 22: £832k).

5. Non-recurring items

	6 months ended 30 September 2022 Unaudited £'000	6 months ended 30 September 2021 Unaudited £'000	12 months ended 31 March 2022 Audited £'000
Non-recurring items	1,444	-	-

Non-recurring items in the period relate to group restructuring costs and legal and professional fees in connection with the aborted acquisition of the group by Panmure Gordon Group Limited.

6. Earnings per share

	6 months ended 30 September 2022 Unaudited £'000	6 months ended 30 September 2021 Unaudited £'000	12 months ended 31 March 2022 Audited £'000
Earnings per share			
Number of shares			
Weighted average number of shares for the purposes of basic earnings per share	169,041,783	162,321,463	164,699,708
Weighted average dilutive effect of conditional share awards	3,011,648	18,941,586	17,546,548
Weighted average number of shares for the purposes of diluted earnings per share	172,053,431	181,263,049	182,246,256
Profit per ordinary share (pence)			
Basic (loss)/profit per ordinary share	(1.82)	2.96	3.95
Diluted (loss)/profit per ordinary share	(1.79)	2.65	3.57

The shares held by the Group's Employee Benefit Trust have been excluded from the calculation of earnings per share.

7.

7. Dividends

	30 September 2022	30 September 2021	31 March 2022
	Unaudited	Unaudited	Audited
	£'000	£'000	£'000

Dividends proposed and paid during the year	-	1,638	2,639
Dividends per share	-	1.00p	1.60p

8. Balance sheet items

i) Deferred tax asset

Deferred taxation for the group relates to timing difference on the taxation relief on the exercise of options. The amount of the asset is determined using tax rates that have been enacted or substantively enacted when the deferred tax assets are expected to be recovered.

ii) Trade and other receivables

Trade and other receivable principally consist of amounts due from client, brokers and other counterparties. In addition, the Company has credit risk exposure to the gross value of unsettled trades (on a delivery versus payment basis) at its agency settlement agent (Pershing, a wholly owned subsidiary of Bank of New York Mellon Corporation)

iii) Own shares held

The value of own shares held is the cost of shares purchased the Group's Employee Benefit Trust. The Trust was established with the authority to acquire shares in finnCap Group plc and is funded by the Group.

iv) Merger relief reserve

The merger relief reserve represents:

- the difference between net book value of finnCap Ltd and the nominal value of the shares issued due to the share for share exchange on the acquisition of finnCap Ltd. Upon consolidation, part of the merger reserve is eliminated to recognise the pre-acquisition share premium and capital redemption reserve of finnCap Ltd; and
- the difference between the fair value and nominal value of shares issued for the acquisition of Cavendish Corporate Finance (UK) Limited and Cavendish Corporate Finance LLP

This reserve is not distributable

9. Alternative performance measures

The below non-GAAP alternative performance measures have been used.

Adjusted earnings per share and profit before tax

Measure: Adjusted earnings per share is calculated excluding share-based payments, non-recurring items, amortisation of intangible assets from the acquisition of Cavendish and includes a nominal tax charge adjustment. As with earnings per share, the weighted average number of shares in issue during the period excludes shares held by the Group's Employee Benefit Trust.

Use: Provides a consistent measure of the earnings performance of the core business activities.

	6 months ended 30 September 2022 Unaudited £'000	6 months ended 30 September 2021 Unaudited £'000	12 months ended 31 March 2022 Audited £'000
(Loss)/profit attributable to equity shareholders	(3,079)	4,798	6,511
Fair value gains on long term investments	138	26	-
Non-recurring items	1,444	-	-
Share based payments	386	832	1,100
Amortisation	-	39	84
Taxation	612	48	(264)
Adjusted earnings	**(499)**	**5,743**	**7,431**

Basic shares	169,041,783	162,321,463	164,699,708
Earnings per share (basic)	(1.82)	2.96	3.95
Adjusted (loss)/earnings per share (basic)	**(0.30)**	**3.54**	**4.51**

	6 months ended 30 September 2022 Unaudited £'000	6 months ended 30 September 2021 Unaudited £'000	12 months ended 31 March 2022 Audited £'000
(Loss)/profit before tax	(2,592)	6,282	8,105
Fair value gains on long term investments	138	26	-
Non-recurring items	1,444	-	-
Share based payments	386	832	1,100
Amortisation	-	39	84
Adjusted (loss)/profit before tax	**(624)**	**7,179**	**9,289**

END

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