

ASSETCO PLC
YEAR ENDED 30 SEPTEMBER 2022

2022

ANNUAL
REPORT AND
FINANCIAL
STATEMENTS



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

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1. CHAIRMAN'S STATEMENT

The financial year ended 30 September 2022 was an eventful one for AssetCo, during which we made considerable progress in building out the Group's listed equity platform, private markets capability and thematic ETF business. Our objective is to build an agile asset and wealth management business that is fit for purpose in the 21st century.

The acquisition of River and Mercantile Group completed successfully in June 2022 and of Revera Asset Management in August 2022. The acquisition of SVM Asset Management, announced in June 2022, completed successfully shortly after the financial year end. Together with established subsidiary Saracen, the combination of this group of companies provides a complementary product set, managed by a well respected team of managers based in the UK's two main investment hubs of London and Edinburgh. We are now focusing on growing assets under management and on profitability. We are making good headway towards run rate profitability in our wholly owned subsidiary businesses, despite difficult trading conditions. With the support of modest growth in equity stock markets over the financial year, we are optimistic that we can achieve sales growth and cost savings that will deliver a positive outcome for the Group.



£40M
INVESTED IN
GROWTH

Investment markets have had a lot to cope with during the financial year: the tragedy of war in Ukraine; continuing worldwide supply chain challenges; energy price rises and continued pandemic disruption in China. The UK large cap stock market was remarkably resilient, with the FTSE 100 losing only 2% during the financial year. This masked a volatile and troubling set of market events which undermined investor confidence and sparked outflows in assets under management. The performance of world and mid-cap UK markets which lost c.20% and c.25% respectively over the financial year are perhaps more indicative of underlying sentiment and (in the case of world markets) balance some of the special factors, such as Brexit-specific discounting, which impacted companies operating solely or mainly in the UK.

Equity markets generally remained nervous during the year. The combination of rising energy prices and shortages persisting as the global economy recovered from Covid led to a sharp rise in inflation, which had been relatively dormant since the early 1990's. Central banks have increased interest rates to offset this challenge to economic stability, but this also increases the chances of an economic slowdown and recession. All of this makes for a challenging environment for most businesses, not least asset management businesses which are exposed to the gearing effect of fluctuating markets.

River and Mercantile has been exposed to the full force of those challenges. Revenues in the River and Mercantile Group have been impacted by both market conditions generally and by resulting client outflows, as clients typically reduced equity exposure. While wholesale business outflows are lighter than they might have been when compared to the experience of many of our competitors, taken together with stock market falls they nonetheless impacted revenues negatively by approximately £2m between acquisition and the financial year end 2022, on an annualised basis. Stockmarkets continued to exert downward pressure on revenues going into the new financial year.

Our mission to improve and grow otherwise attractive asset management businesses began with tackling an initial cost base of £32m of annualised costs at the point of announcing our acquisition in January 2022. This was cut aggressively to £22.5m in annualised costs by the financial year end 2022, after adjusting for pipeline committed savings. Nonetheless, it was the principal driver of the loss made by the Group of £9m after interest and tax for the year. An aggressive assault on continuing costs is on-going and remains a key focus of the coming year.



In the financial year under review the Group has invested more than £40m in growing the business through the acquisitions of River and Mercantile and Revera. Those acquisitions take revenues from less than £0.5m last year to over £8m during the course of the year, with a run rate of £17m annualised as at end September 2022 when the acquisition of SVM in October 2022 is also taken into account. Revenues for the Group for the financial year ended 30 September 2022 include those from River and Mercantile from 15 June 2022 and from Revera from the beginning of August 2022.

Comparisons to the previous year are not particularly instructive as the Company had little effective revenue during that year, other than the successful Grant Thornton litigation which contributed net income of £22.4m on a one-off basis. In December 2022 we announced that the four active equity asset management subsidiaries of the Group will come together under the River and Mercantile brand during the course of 2023. Much work remains to be done to realise the significant potential inherent in combining these businesses, and existing contractual commitments to third party suppliers, regulatory approvals and client consents are all hurdles along the way. However, the Group has considerable talent to draw on and considerable experience in dealing with such challenges. Rationalisation plans are well advanced.

During the year we have been actively engaged in raising the profile of the business both in the UK and internationally, seeking to broaden the shareholder base. We have met with key asset allocators in the UK and abroad and are exploring growth opportunities for the business with partners around the world – both organically and where deeper partnerships might be mutually attractive.

An interim dividend of 1.3p per share (equivalent to 13p per share before the August 2022 share split) was declared towards the end of November 2022, as foreshadowed in the Company's shareholder circular and AIM admission document in March 2022. This is the first dividend paid by the Company since its re-admission and sits alongside a share buy-back programme rolled out in the closing quarter of the calendar year which, by end January 2023, had bought back almost £6.9m of shares currently held as treasury stock. It is our intention to pursue a progressive dividend policy where circumstances permit.

We continue to seek out potential opportunities for further inorganic expansion. The relatively difficult trading conditions for asset management businesses generally creates opportunities for AssetCo in its mission to acquire, improve and grow otherwise attractive businesses that are experiencing challenges.

Martin Gilbert
Chairman

15 February 2023

2. BUSINESS REVIEW

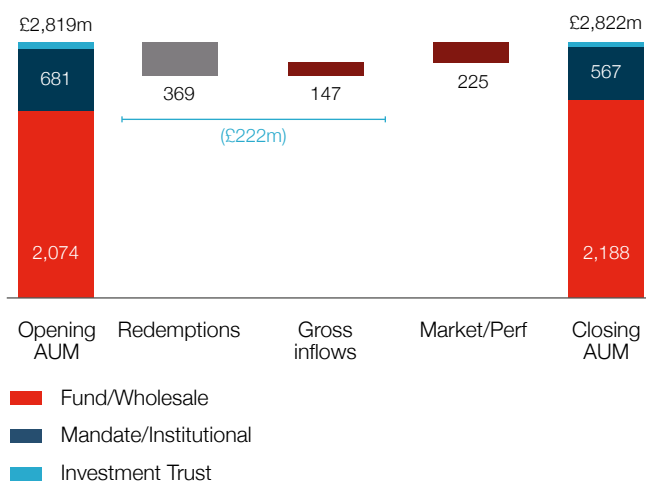
As at the end of the financial year to September 2022, the AssetCo Group encompasses active equities asset management in three subsidiaries (which became four with the acquisition of SVM asset management at the end of October 2022) an early stage infrastructure asset management business, a majority equity interest in an exchange traded fund provider and a structured 30% interest in a digital platform business.

ACTIVE EQUITIES

The acquisition of the River and Mercantile Group in June 2022 brought useful distribution capability to the Group in the UK as well as a wide range of funds, taking Active Equities assets under management to £2,291m by September 2022 year end. SVM, acquired during October 2022, had assets under management of £528m as at 30 September 2022.

Movement in assets under management from end September 2022 to end December 2022 may be summarised in the following chart, which includes SVM on a pro forma basis:

ACTIVE EQUITIES AUM WALK: 30 SEP 22 TO 31 DEC 22 (£M)



From zero to £13.2bn - an asset and wealth management business fit for the 21st century



Proven and experienced management team

PERFORMANCE

The three months to end September 2022 have been particularly active for River and Mercantile with the launch of two funds compliant with the EU's sustainable finance disclosure Regulations (SFDR) and its inaugural infrastructure fund. The launch of the two SFDR funds, European Change for Better Fund (article 9 compliant) and Global Sustainable Opportunities Fund (article 8 compliant), has been well received and both are highly rated by independent and dedicated Sustainable Investment Advisor, Mainstreet Partners. The funds follow an investment philosophy which incorporates sustainability into the investment manager's long-established process, focusing on the characteristics of Potential, Valuation and Timing. Launched with client seed capital and backing, they invest in companies which the team believes can make a significant improvement in their carbon footprint, as well as companies which enable this improvement for others.

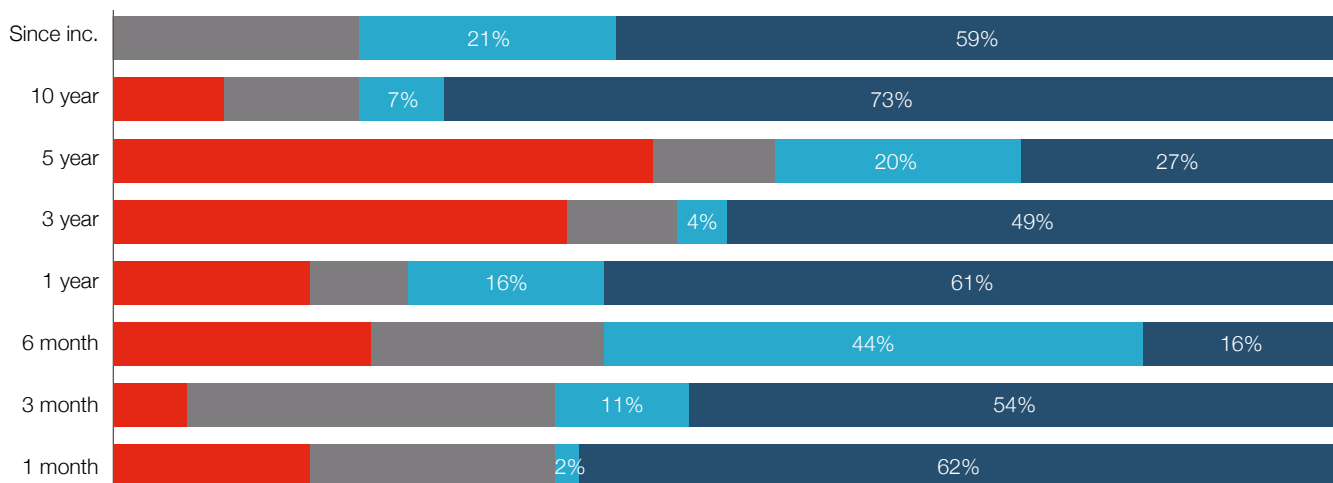
Investment performance of the River and Mercantile equities funds over the three months to September 2022 has been encouraging given the prevailing macro-economic headwinds. A number of funds have responded to the pick-up in demand for a more 'value-orientated' investment approach and investors' requirement for higher yielding investments. We believe that this trend has much further to run. Saracen's Global Income and Growth Fund has also performed well, and the shares are close to all-time highs.

It is pleasing to note that the acquisition has been achieved with minimal disruption to clients and that the ongoing River and Mercantile funds saw less in the way of outflows than many of their competitors, and no loss of market share. River and Mercantile is well positioned for future growth.

Fund Performance: active equity funds managed by the Group as at end December 2022:

Our flagship range of mutual funds, across all of our active equities subsidiaries, is showing strong investment performance over 1, 3, and 10 years and since inception.

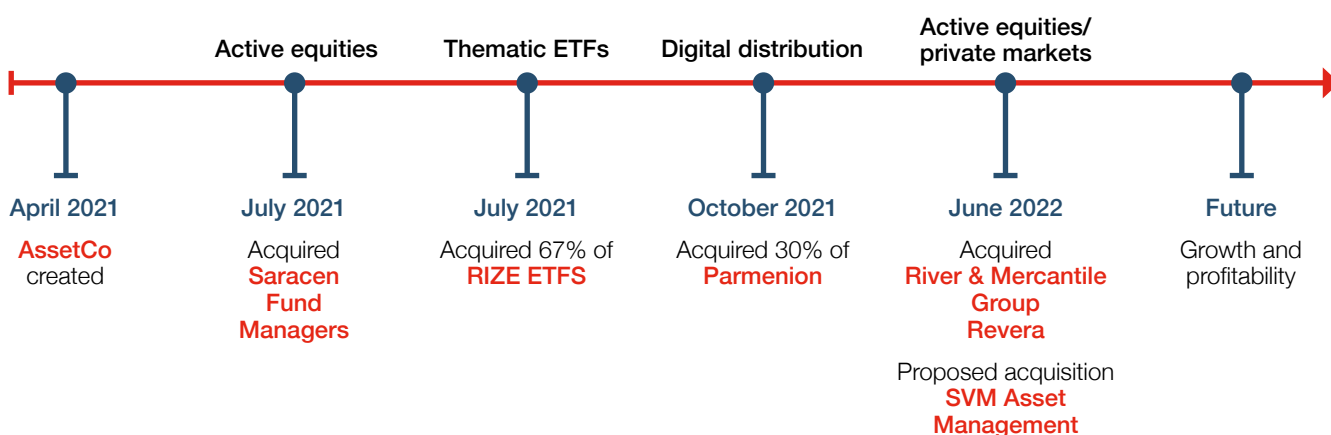
MUTUAL FUND AUM BREAKDOWN BY IA SECTOR QUARTILE RANKINGS



	1 month	3 month	6 month	1 year	3 year	5 year	10 year	Since inc.
4th quartile	16%	6%	21%	16%	37%	44%	9%	0%
3rd quartile	20%	30%	19%	8%	9%	10%	11%	20%
2nd quartile	2%	11%	44%	16%	4%	20%	7%	21%
1st quartile	62%	54%	16%	61%	49%	27%	73%	59%

Source: R&M Performance data produced by R&M data and risk systems. Saracen, Revera and SVM performance data sourced from FE Analytics

The information above is disclosed in order to allow shareholders to assess the current performance of our investment strategies. While historical investment performance is not an indicator of future investment performance, the long term track records of our strategies give shareholders an indication of the sustainability of our investment performance across different investment cycles. Performance data is sourced from: FEAnalytics for IA Sector Peer Group performance. B share class (net of management fees) performance is used since share class launch for all funds except Revera UK Dynamic which is Corporate class performance. For any fund performance prior to the launch of these share classes, performance is chain linked with the next highest paying fee share class back to the earliest date.



COSTS

In addition to a focus on net new business in its growth plan, considerable attention is being paid to reducing costs, in line with comments on right sizing the organisation made at the time of acquisition. The sale of its UK Solutions offerings, prior to River and Mercantile's acquisition by AssetCo, and its US Solutions offerings shortly thereafter, delivered a business with a larger operating infrastructure than was necessary to run the remaining active equities asset management business. Shrinking this operating model to one more appropriate to River and Mercantile's reduced and simplified business going forward has been a key focus. Since announcing the deal in January 2022, River and Mercantile's full time headcount (excluding employees who transferred with the Solutions sale) has been reduced by 22%, and the annualised operating costs also by 22% by year end.

A new, lower cost target operating model has been designed with implementation taking place over the 2023 calendar year to enable a stronger fit-for-purpose business which is scalable for both organic growth and the acquisitive nature of the Group. River and Mercantile's streamlined operating model is intended to be the backbone of the active equities business for the Group, enabling further consolidation of operations from other subsidiaries within the Group. Further cost savings within River and Mercantile have been identified through a combination of rationalising suppliers and downsizing operating platforms. A detailed plan covering both transition and consolidation of the operating model is in place and being carefully tracked, with cost reduction and efficiency the clear focus throughout.

SVM ACQUISITION

In November 2022, the Group completed the acquisition of SVM Asset Management (SVM) for £11.2m. SVM is an active manager of listed equities and is the Authorised Corporate Director to its own ICVC fund range, whilst also managing an Investment Trust and institutional client mandates. SVM is a key component of AssetCo's plans to have a strong and dynamic asset management hub in Edinburgh. Completion of the acquisition brought assets managed by the AssetCo group companies in the Scottish capital to nearly £700m.

The intention is that, over time and subject to appropriate regulatory approvals and client consents, the majority of compliance, operational, distribution and marketing resources will be shared within the broader AssetCo group companies. At the same time, the unique qualities and strengths for which SVM is well known will be preserved to form a bedrock of growth for the future.

INTEGRATION

In December 2022, we announced the bringing together of the four active equity businesses under the River and Mercantile brand which, given completion of the SVM acquisition only a month before, was testament to AssetCo's ability to find and augment complementary businesses. Our Edinburgh-based active equity asset businesses (Saracen, Revera and SVM) are already working together effectively using SVM's offices as a single base.

INFRASTRUCTURE

During the year, the River and Mercantile Infrastructure Income Fund was launched with a first series of shares to the value of £115m in committed capital (representing £0.8m in annualised revenue when fully drawn) and made its first investments. The first two investments (in Spring Fibre Limited and Cohiba Communications Limited) are consistent with the fund's core theme of supporting the "digital transition" in the UK – through financing the delivery of full fibre-optic and fixed wireless technology infrastructure in selected towns, giving residential and commercial customers next generation access to the internet. Together these investee companies plan to provide ultra-fast broadband connectivity to more than 2.5 million homes and, with many of these homes in socially disadvantaged communities, aim to provide households and businesses the affordable access to the internet required to fulfil their potential. These "digital transition" investments, alongside the fund's focus on supporting the UK's "energy transition", demonstrate positive tangible Environmental, Social and Governance (ESG) characteristics for investors and communities alike.

It is expected that this ESG-focused approach to investments will continue to prove attractive and deliver fundraising success for the fund during the coming year. The pipeline of interested investors is strong and, similarly, we see a good supply of potential investments. We expect good growth potential from this side of our business, despite recent headwinds in the sector.

EXCHANGE TRADED FUNDS

2022 was a challenging year for European thematic ETF providers, with the economic headwinds, noted previously, coinciding with an increase in competition.

Notwithstanding the foregoing, Rize ETF's market recognition as a leader in thematic and impact thematic funds continues to flourish, with the firm winning two further awards in 2022, including the **"Best Food Investment Firm / Europe"** from International Investor in relation to the Rize Sustainable Future of Food UCITS ETF (FOOD) and **"Most Innovative Fund Launch – Passive"** from ESG Clarity for the Rize Environmental Impact 100 UCITS ETF (LIFE).

Rize ETF enjoyed net inflows of USD 108 million for the financial year to 30 September 2022, taking assets under management to £326m with attaching annualised revenues of £1.5m pa as at that date. Rize ETF has been onboarded (approved) by a number of major clients, including several major private banks across Europe.

The firm's net flow for the financial year to 30 September 2022 was 1.9% of the thematic market versus a 1% AUM market share, outpacing the broader thematic ETF market in Europe. Whilst this is lower than originally projected given the exceptional market conditions of 2022, Rize has nevertheless outperformed the broader thematic ETF market and continues the trend of having only had net inflow in each calendar year since the launch of its first two ETFs in February 2020. Crucially, much of the net new asset allocations in 2022 came from new investors that approved the firm in 2022, illustrating the effectiveness of the firm's distribution strategy and brand recognition and also the potential for more significant top-up allocations once positive sentiment returns to equity markets.



The combined revenue of invested businesses, including announced transactions, is c. £17 million



Building critical scale and broader capabilities in attractive market segments



Announced a proposed 1.3p dividend



Robust balance sheet, with £40 million improvement year on year

DIGITAL PLATFORM

The development of Parmenion's business (30% of which was acquired by AssetCo in October 2021) continued apace in 2022, with a number of important initiatives launched to broaden and deepen its relationship with the UK independent financial advice community. In response to customer feedback, Parmenion extended its investment proposition by adding a number of new discretionary fund managers to the platform, providing greater choice for customers. It also launched the Advisory Models Pro which provides open architecture access to advisers who want to build and run their own advisory portfolios, thereby extending the reach of the firm. Finally, it completed the acquisition of EBI Portfolios a Midlands-based business which administers £1.9bn for 150 advisory firms. The EBI suite of 11 Earth model portfolios will be fully integrated into the Parmenion platform's award-winning investment proposition. Each of these initiatives should further drive growth in assets under administration and collectively should contribute significantly to Parmenion's growing reputation as a provider of choice for the UK IFA community and their customers.

Parmenion was awarded UK Platform of the Year for 2022 at the Schroder's UK Platform Awards. In addition, it has 20 Defaqto ratings covering all aspects of the business from customer service to platform functionality and investment proposition. This industry recognition has been driven by strong customer service and this in turn is reflected in strong financial results for the firm. In the year to 31 December 2022, revenues increased by over 12% to £40.4m and EBITDA more than doubled to £15m. Assets under management increased to £10.3bn, including the EBI Portfolios assets. We remain strong advocates of the business and the management team and believe that the client led initiatives over the past year will deliver significant value for all stakeholders.

ANNUALISED REVENUE BREAKDOWN BY BUSINESS TYPE (AS AT 30 SEPTEMBER 2022¹)

Business type	AuM (£m)	Weighted average fee rate, net of rebates (bp)	Gross annualised revenue net of rebates (£000s)
Wholesale (active equities)	2,074	54	11,228
Institutional (active equities)	681	35	2,374
Investment Trust (active equities)	64	73	471
Infrastructure	35	68	237
ETFs	326	47	1,520
Total	3,180		15,830

¹ Although SVM was not acquired until after the year end, this table includes SVM data as at 30 September 2022 as if SVM had been acquired by this date to illustrate annualised revenue for the Group on an ongoing basis.

This table excludes the Group's interest in Parmenion which (per above) had AuM of £10.3bn, generating revenues of £40.4m as at 31 December 2022 (financial year end of Parmenion).

- 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.

SUMMARY PERFORMANCE INDICATORS:

The following table includes key performance indicators referenced in the following Strategic Report and attempts to show the effect of including SVM at end December 2022, including some additional alternative performance measures for comparison purposes.

	End Dec 2022 (inc SVM)	End Sept 2022	End Sept 2021	Movement Sept 2021 to Sept 2022 (Sept 21 to Dec 22)
Active Equities Assets under Management	£2,822m	£2,291m	£113m	+£2,178m (+£2,709m)
Total assets	£96.5m	£102.1m	£59.6m	+£42.5m (+£36.9m)
Annualised revenue ¹	£17.3m	£12.9m	£2.5m	+£10.4m (+£14.8m)
Profit for the year (to 30 Sept)		-£9.3m	£14.7m	-£24m
Investment performance ² (1 year)	77%	46%	100% ³	-54% points (-23% points)
Investment performance ² (3 year)	53%	53%	13% ³	+40% points (+40% points)

¹ Monthly recurring revenue at date shown, annualised (i.e. x 12)

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

³ Saracen only

Campbell Fleming

Chief Executive Officer

Peter McKellar

Deputy Chairman

15 February 2023

3. STRATEGIC REPORT

INTRODUCTION

The Directors present their Strategic Report on the Group for the year ended 30 September 2022

REVIEW OF THE BUSINESS

A review of the business is contained in the Chairman's statement on pages 2 and 3 and in the Business Review on pages 4 to 9 and is incorporated into this report by cross-reference.

STRATEGY

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

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

KEY PERFORMANCE INDICATORS (KPIs)

The financial key performance indicators for the year ended 30 September 2022, which has focused on growing the Group's asset management capabilities, were as follows:

As at end September	2022	2021	Movement
Active Equities Assets under Management	£2,291m	£113m	+£2,178m
Total assets	£102.1m	£59.6m	+£42.5m
Annualised revenue ¹	£12.9m	£2.5m	+£10.4m
Profit for the year (to 30 Sept)	-£9.3m	£14.7m	-£24m
Investment performance ² (1 year)	46%	100% ³	-54% points
Investment performance ² (3 years)	53%	13% ³	+40% points

¹ Monthly revenue at date shown, annualised (i.e. x 12)

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

³ Saracen only

The key measurements for the asset and wealth management businesses under our control or influence, include growth (in assets and revenue) and investment performance.

ALTERNATIVE PERFORMANCE MEASURES

The Group uses non-GAAP APMs as detailed below to provide users of the annual report and accounts with supplemental financial information that helps explain its results, recognising the fact that certain acquired businesses have contributed to the results for only part of the financial year.

APM	Definition	Reason for use
Annualised costs	Costs incurred in the month concerned, annualised by multiplying by 12	Given that AssetCo has acquired and/or integrated businesses at different points during the financial year, the full year's costs as disclosed in the statutory accounts do not give a clear picture of what "business as usual" might look like. Annualised costs, as defined, allow us to aggregate costs across all business units and present a consolidated picture on a consistent basis. In practice, the actual outturn is dependent upon actual business experience during the year so this is not a forecast.
Annualised revenue	Revenues incurred in the month concerned, annualised by multiplying by 12	Given that AssetCo has acquired and/or integrated businesses at different points during the financial year, the full year's revenues as disclosed in the statutory accounts do not give a clear picture of what "business as usual" might look like. Annualised revenues, as defined, allow us to aggregate revenues across all business units and present a consolidated picture on a consistent basis. In practice, the actual outturn is dependent upon actual business experience during the year so this is not a forecast.



RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for the Company's system of internal control and for reviewing the effectiveness of the Group's risk management framework.

During the reporting period, the Board has taken steps to improve the Company's risk management framework through the appointment of a Head of Risk, Gordon Brough. The Company operates a risk register which assesses risks facing the Group and sets out the mitigants to those risks. The Board reviewed the risk register during the reporting period and obtained assurance from the Executive Directors as to the effectiveness of the risk management framework.

The Group has been subject to significant change during the period and further work will be undertaken to strengthen the risk management framework in 2023 as part of the integration of the Group's operating businesses onto a new target operating model. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

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

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

- clear responsibilities for financial controls and the production of timely financial management information;
- the control of key financial risks through clearly laid down authorisation levels and proper segregation of accounting duties;
- the review of business updates, cash flows and cash balances by management and the Board.



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
<p>Profitability and Dividends Profitability remains a key focus for the Group. Delays in achieving profitability in the longer term could impact the Board's ability to pay a progressive dividend as well as the Group's ability to fund acquisitions.</p>	<p>Board/Executive Team Plans are being actively implemented to cut costs and focus distribution efforts thereby increasing new business. The Group is focused on achieving run-rate profitability at the earliest possible date. The Board monitors cash management carefully.</p>
<p>Distribution Corporate actions such as acquisitions and business re-structuring risk disturbing existing clients and discouraging new ones.</p>	<p>Board/Distribution The Group continually monitors and develops its product suite to ensure that it remains competitive and attractive. Distributors and markets are carefully targeted and the status of client relationships monitored to identify risk of loss. Identified risks are suitably addressed.</p>
<p>Loss of Key People The Group has managed most departures on a planned basis but going forwards will need to ensure continued retention of key staff if it is to manage client, consultant and regulatory expectations.</p>	<p>Board/Remuneration Committee The Board regularly reviews succession planning for all senior executives. All 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. Consideration is being given to a replacement for the Company's cancelled LTIP.</p>
<p>Economic Conditions Adverse markets were a significant drag on performance in the last year. As an equity specialist the business remains vulnerable to any material fall in equity markets.</p>	<p>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.</p>
<p>Systems and Controls Operating multiple systems across multiple subsidiary and associate companies increases the risk of control failure. Managing multiple service providers also generates challenges.</p>	<p>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 seeking to consolidate on to a single operating platform for compatible businesses as an early priority, as well as seeking to rationalise service providers.</p>

ENVIRONMENTAL SOCIAL AND GOVERNANCE

In pursuing its strategy the Company is committed to a responsible business approach that delivers positive outcomes and sustainable long term value to its stakeholders. In this regard the Company has developed an Environmental Social and Governance policy statement (the “**ESG Policy**”).

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

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

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

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

ENVIRONMENTAL

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

SOCIAL

We intend to be a responsible member of the community and a force for positive change. We will endeavour to contribute to the community through philanthropic partnerships, paid internships and encouraging employee volunteering.

GOVERNANCE

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

MEMBERSHIP AND REPORTING

Our ESG agenda is supported by the activities of our operating businesses. This includes the adoption of the United Nations-backed Principles for Responsible Investment by key subsidiaries and by becoming signatories to the UK Stewardship Code, to which both River and Mercantile and SVM Asset Management have been accepted by the FRC as signatories. A number of the investment products managed by River and Mercantile and Rize have a clear ESG focussed investment process. River and Mercantile is the investment manager of an Article 9 SFDR Fund and an Article 8 SFDR Fund.

We are continuing to evolve our ESG policies across the Group with the establishment of a Sustainability and Stewardship Committee under an independent Chair to oversee progress in this area.

ACQUISITIONS AND SERVICE PROVIDERS

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

STAKEHOLDERS: S.172 STATEMENT

DUTY TO PROMOTE THE SUCCESS OF THE COMPANY

Section 172(1) of the Companies Act 2006 requires Directors to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long-term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

This Section 172 Statement sets out how the Directors have discharged this duty.

In order for the Company to succeed in the long-term, the Board must build and maintain successful relationships with a wide range of stakeholders. The Board recognises that the long-term success of the Company is dependent on how it works with a number of important stakeholders.

The Board's decision-making process considers both risk and reward in the pursuit of delivering the long-term success of the Company. As part of the Board's decision-making process, the Board considers the interests of a broad range of the Company's stakeholders. The Board considers that its primary stakeholders are clients, employees, shareholders, suppliers and regulators.

The Board fulfils its duties in collaboration with the senior management team, to which day-to-day management has been delegated. The Board seeks to understand stakeholder groups' priorities and interests. The Board listens to stakeholders through a combination of information provided by management and also by direct engagement where appropriate. The following overview provides further insight into how the Board has had regard to the interests of our primary stakeholders, while complying with its duty to promote the success of the Company in accordance with Section 172 of the Companies Act 2006.

Our key stakeholders	How we engage with them
Clients	
<p>The Company through its subsidiaries aims to provide investment products that meet the needs of clients and put those needs first.</p>	<p>Our distribution teams have a busy client engagement schedule and maintain contact with our clients through regular meetings, reporting and written communication. This helps us to understand our clients' needs.</p> <p>Members of the senior management team meet directly with key clients to understand the views of our clients and to ensure that we continue to meet our clients' expectations.</p> <p>Client engagement feeds into our regulated subsidiaries assessment that their products and services are fit for purpose and offer fair value.</p>

Our key stakeholders	How we engage with them
Shareholders	
<p>The ongoing support of our shareholders is vital in helping us deliver our long-term strategic objectives.</p>	<p>The Board engages with the Company's shareholders in a number of ways which include the AGM and one-to-one meetings and telephone conversations. Our AGM allows shareholders the opportunity to engage directly with the Board.</p> <p>The Chairman, Deputy Chairman and CEO regularly meet (in person and virtually) the Company's major shareholders to discuss the financial performance of the Company.</p> <p>Matters discussed with shareholders include strategy and its execution and generating strong returns. The views of shareholders have been considered and fed into the implementation of the cost reduction strategy across the Group.</p>

Employees	
<p>The Company's key employees are senior experienced professionals. It is of the utmost importance to the Board that we have a culture that attracts and retains talented employees.</p>	<p>The senior management team engage regularly with employees through face-to-face meetings where open discussion is encouraged. Our subsidiaries have strong management teams and engage with their employees through regular meetings and all employee calls.</p> <p>We value our diverse workforce and seek inclusion at all levels.</p> <p>The senior management team has focussed on the integration of newly acquired businesses into the Group over the past year and the restructuring of certain group functions to align with the business needs. During this process, due consideration has been given to all stakeholders, including employees, shareholders and our clients.</p> <p>The Group is proud to support the development of our employees through study loans and paid study leave. Supported qualifications include CFA and accountancy qualifications.</p>

Our key stakeholders	How we engage with them
Suppliers and service providers	
<p>The Company places reliance on external third party suppliers and service providers for certain activities and services.</p>	<p>The Company is committed to the highest standards of business conduct.</p> <p>The selection process and engagement with these parties is undertaken by senior management. We ensure that there is an appropriate framework of oversight of our key third-party suppliers. Regular meetings are held with key third-party service providers and issues escalated to senior management where required. Material supplier selection is reported to the Board and significant issues or risks related to suppliers will be escalated to the Board.</p> <p>As described above, a key focus has been on the integration of the newly acquired businesses into the Group. Suppliers and service providers have been reviewed by senior management during this period as part of this project.</p>
Regulators	
<p>The Group operates in the UK and US and is subject to the oversight of various regulators. We have a conducted culture that encourages our people to act with integrity at all times.</p>	
<p>The Company is AIM listed and complies with the AIM Rules. We engage with our regulators through the Group's legal and compliance function by way of regular mandatory reporting as well as any ad hoc interactions required by our regulators.</p>	
Community and the environment	
<p>Due regard is given to the impact of the Company's operations on the community and environment through the activities of its subsidiaries overseen by the senior management team.</p>	
<p>Sustainable investing is a key focus for the Group's businesses. During the period, River and Mercantile launched an Article 8 SFDR Fund and Article 9 SFDR Fund. River and Mercantile, Rize, Saracen and SVM are signatories to UNPRI. Both River and Mercantile and SVM are signatories to the FRC's Stewardship Code.</p>	
<p>The Group aims to make an impact within the communities it operates in through supporting charitable activities undertaken by employees through a GAYE payroll scheme and donation matching (subject to cap), participation in charitable events and offering paid internships aimed at improving diversity. Examples of specific activities include a paid internship at River and Mercantile for two interns through the Girls Are INvestors ('GAIN') investment internship programme aimed at improving diversity in asset management and participation in City Hive's Fearless Women campaign where Campbell Fleming was a panellist.</p>	

Pages 10 to 17 constitute the strategic report which was approved by the Board on 15 February 2023 and signed on its behalf by:

Gary Marshall
CFO

15 February 2023
Company Registration Number: 04966347

4. BOARD OF DIRECTORS

CHAIRMAN –

MARTIN GILBERT

Martin was appointed to the Board on 25 January 2021 as the Company's Chairman.

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

SKILLS AND COMPETENCIES

Martin brings substantial experience and knowledge of the financial services and asset management sector. He is an experienced leader, having been the CEO of Aberdeen Asset Management plc. Martin's breadth of experience in the financial services sector, understanding of the diverse issues faced when building an asset management group through acquisitions and his strong leadership style allow him to lead an effective Board and are vital to the Company's long-term sustainable success.

CHIEF EXECUTIVE OFFICER –

CAMPBELL FLEMING

Campbell was appointed to the Board on 2 October 2021 as the Company's Chief Executive Officer.

Campbell has worked within the investment industry since the 1990s. He was Global Head of Distribution & Marketing at Standard Life Aberdeen until September 2020. Before joining Aberdeen Asset Management in August 2016, Campbell was Chief Executive - EMEA and Global Chief Operating Officer at Columbia Threadneedle Investments, having joined that firm as Global Head of Distribution in November 2009. Prior to this, Campbell was Head of UK for JPMorgan Asset Management. He trained as a barrister in Australia before moving to the UK in 1995. He also chairs The Big Exchange and is the Deputy Chairman of Ruffer LLP.

SKILLS AND COMPETENCIES

Campbell has extensive asset management experience, having held senior positions in well-known asset managers. He is a skilled leader and draws on the knowledge acquired in his previous roles to lead the Group as its CEO. Campbell's significant distribution experience is critical for the delivery of the Group's growth strategy.

DEPUTY CHAIRMAN AND EXECUTIVE DIRECTOR – PETER MCKELLAR

Peter was appointed to the Board on 25 January 2021 and is the Company's Deputy Chairman.

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

SKILLS AND COMPETENCIES

Peter brings significant financial services experience to the Board. Peter's valuable experience combined with his financial acumen enables him to effectively contribute to the delivery of the Company's strategy, advise on cost reduction and is key to the Company's long-term sustainable success.

CHIEF FINANCIAL AND OPERATING OFFICER – GARY MARSHALL

Gary was appointed to the Board on 11 October 2022 as the Company's Chief Financial and Operating Officer.

Gary has worked in the financial services industry since 1983, initially in life assurance but for almost 30 years in asset management. He joined Aberdeen Asset Management PLC in 1997 following Aberdeen's acquisition of Prolific Financial Management and held a variety of roles leading up to his being Head of EMEA and UK Regions for Standard Life Aberdeen before retiring from that company in 2021. In his capacity as regional head, Gary served as Chief Executive for regulated operating subsidiaries based in UK and in Europe; he also served as Chief Executive and Head of Americas for Aberdeen from 2010 to 2014, based in Philadelphia. Gary brought a strong finance perspective to his previous roles and developed a deep understanding of the operational complexities of running a multinational asset management business from years spent managing and integrating acquired businesses. Gary is a qualified actuary.

SKILLS AND COMPETENCIES

Gary has extensive asset management experience having held a number of senior roles in a large well regarded asset management group. He has in-depth expertise in finance, operations and regulatory compliance. Gary's operational expertise and his experience of integrating businesses is vital to the Group's strategy and the long-term sustainable success of the Company.

**SENIOR INDEPENDENT DIRECTOR –
JONATHAN DAWSON**

Jonathan joined the Board as senior independent director on 15 June 2022 on completion of the acquisition of River and Mercantile Group PLC, where he had been chairman for a number of years.

He is a graduate of the universities of St Andrews and Cambridge and started his career in the Ministry of Defence before joining Lazard, the investment bank, where he spent over 20 years. He left Lazard in 2005 and co-founded Penfida Limited, the leading independent corporate finance adviser to pension fund trustees which is now part of the XPS Group. Jonathan previously served as a non-executive director and chair of the remuneration committee of National Grid plc until July 2022. Other previous appointments include non-executive directorships of Galliford Try plc, National Australia Group Europe Limited and Standard Life Investments (Holdings) Limited. He also served as senior independent director of Next plc and Jardine Lloyd Thompson Group plc.

SKILLS AND COMPETENCIES

Jonathan has significant financial services, pensions and non-executive experience. He brings innovative perspective and independent oversight to the Board. Jonathan's breadth of experience, knowledge of the business of River and Mercantile and strong corporate governance expertise contribute to the effective operation of the Board and long-term sustainable success of the Company.

**NON-EXECUTIVE DIRECTOR –
TUDOR DAVIES**

Chairman of the Audit Committee

Tudor was appointed to the Board on 23 March 2011 and was Chair of AssetCo until the re-admission and change in April 2021 when Martin Gilbert took over the role. After standing down as Chair of the Board, Tudor took over the role of Chair of the Audit Committee.

Tudor has over 20 years experience in the repositioning of several Plc's, as Chair, Chief executive and Non-Executive Director, and was formerly a partner with Arthur Young (a predecessor firm of Ernst & Young LLP) specialising in corporate finance and recovery.

SKILLS AND COMPETENCIES

Tudor brings substantial experience to the Board and his knowledge of the turnaround of businesses allow him to bring a financial and strategic perspective to a broad range of subjects in support of the Board and its Committees.

**NON-EXECUTIVE DIRECTOR –
CHRISTOPHER MILLS**

Chairman of the Remuneration Committee

Christopher was appointed to the Board on 23 March 2011.

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

SKILLS AND COMPETENCIES

Christopher has significant asset management experience, having established a successful asset management business, Harwood Capital. He is a highly regarded investor and draws on this experience in support of the Board. Christopher brings in-depth understanding of remuneration matters in the asset management industry to his role as Chair of the Remuneration Committee.

INDEPENDENT NON-EXECUTIVE DIRECTOR – MARK BUTCHER

Chairman of the Nomination Committee

Mark was appointed to the Board on 24 October 2012.

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

SKILLS AND COMPETENCIES

Mark has over 20 years' experience working in the City, he was an executive director of GPG (UK) Holdings plc as well as a non-executive director of a number of public and private companies. He has wide experience in international accounting, corporate finance and banking transactions. Mark qualified as a Chartered Accountant in South Africa. Mark brings constructive challenge and independent oversight to the Board.





DUGALD STEWART

BORN NOVEMBER 22 1753

DIED JUNE 11 1820

GOVERNANCE REPORT



5. DIRECTORS' REPORT

INTRODUCTION

The Directors present their annual report and the audited consolidated financial statements of the Company and the Group for the year ended 30 September 2022.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company's principal activity is to act as a holding company for a group of wealth and asset management companies. AssetCo plc is a public limited company registered and domiciled in England and Wales with the registered number 4966347. The Company is listed on AIM and is subject to the AIM Rules. The Group operates principally in the United Kingdom and has a trading subsidiary in the USA. A review of the business is set out in the Strategic Report on pages 10 to 17, which is incorporated by reference into this report.

DIRECTORS

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

Martin Gilbert (Chairman)

Campbell Fleming (CEO)

Peter McKellar (Executive)

Gary Marshall (CFOO) – appointed 11 October 2022

Jonathan Dawson (Senior Independent Director) – appointed 15 June 2022

Christopher Mills (Non-Executive)

Tudor Davies (Non-Executive)

Mark Butcher (Non-Executive)

The company secretary up until 1 July 2022 was Stephen Murphy. The company secretary from that date until the date of signing this report, was Sally Buckmaster.

In accordance with best practice, all Directors will offer themselves for re-election at the AGM, with the exception of Jonathan Dawson and Gary Marshall who will stand for election at the AGM and Mark Butcher who, given his period of service, has decided not to stand for re-election.

RESULTS

The financial statements are set out on pages 48 to 100.

DIVIDEND

The Directors have declared an interim dividend of 1.3p per share this year (2021: £nil) in respect of the financial year ended 30 September 2022. This was paid on 23 December 2022 to shareholders on the register on 2 December 2022.

CAPITAL STRUCTURE

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

Full details of the authorised and issued capital, together with details of the movements in the Company's issued share capital during the year, are shown in note 31.

FINANCIAL RISK MANAGEMENT

See note 3 to the financial statements.

RESEARCH AND DEVELOPMENT

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

FUTURE DEVELOPMENTS

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

DIRECTORS' SHAREHOLDINGS AND INTERESTS

The beneficial interests of the Directors in the shares of the Company were as follows:

	At 30 September 2022 No.	At 30 September 2021 (Prior to sub-division of shares) No.
Martin Gilbert	7,283,300	720,000
Campbell Fleming	2,354,104	150,000
Peter McKellar	3,938,410	259,482
Gary Marshall ¹	–	–
Jonathan Dawson	347,810	–
Tudor Davies ²	2,073,920	200,000
Christopher Mills ³	20,788,420	1,803,800
Mark Butcher ⁴	88,540	6,896

¹ Gary Marshall joined the Board on 11 October 2022 and holds 414,592 shares as at 31 December 2022.

² Tudor Davies is deemed to have an interest in 2,073,920 shares held by Cadoc Limited, a company controlled by his family.

³ Christopher Mills, as chief executive and a member of Harwood Capital LLP, is deemed to have an interest in the 20,788,420 shares owned by various funds associated with Harwood Capital LLP.

⁴ Mark Butcher purchased 45,000 shares on 21 October 2022 and accordingly holds 133,540 shares as at 31 December 2022.

No Director had a material interest in any significant contract (other than a service contract) with the Company or any subsidiary company at any time during the year.

CONFLICTS OF INTEREST

A director has a statutory duty to avoid a situation in which they have or could have a conflict of interest or possible conflict with the interests of the Company.

The Company has adopted a policy relating to the handling by the Company of matters that represent conflicts of interest or possible conflicts of interest involving the directors. Where a conflict of interest or potential conflict of interest is identified, only directors that are not involved in the conflict or potential conflict may participate in any discussions or authorisation process.

SUBSTANTIAL SHAREHOLDINGS

At 7 February 2023 the company secretary has been notified, in accordance with Chapter 5 of the Disclosure Guidance and Transparency Rules sourcebook as issued by the Financial Conduct Authority, of the following interest in 3% or more in the ordinary share capital of the Company:

	No. of shares	% of issued share capital
Harwood Capital LLP	20,788,420	13.90%
Psigma Investment Management Limited	12,746,800	8.50%
Martin Gilbert	7,283,300	4.9%
ICM Limited	7,170,960	4.80%
Hargreaves Lansdown Asset Mgt	6,147,840	4.10%
Lombard Odier Asset Management (Europe) Limited	5,710,017	3.8%
Charles Stanley	5,524,159	3.70%

SHARE SUB-DIVISION AND CANCELLATION OF THE SHARE PREMIUM ACCOUNT

At a general meeting on 10 August 2022, shareholders approved the sub-division of the Company's shares on the basis of ten new shares for each existing share and a resolution required for the cancellation of the Company's share premium account. The share premium account was cancelled following approval of by the Court, creating a distributable special reserve.

SHARE BUY-BACK

At a general meeting on 28 September 2022, the Company was granted the authority by its shareholders to buy back its own shares up to a maximum of 14,929,297. Following this, the Company bought back 72,941 shares by the financial year end which are held in treasury and as at 31 January 2023 a further 11,100,574 shares had been bought back, making 11,173,515 shares in total, held in treasury.

POLITICAL DONATIONS

The Group made no political donations or contributions during the year.

BUSINESS COMBINATIONS AND DISPOSALS

Business combinations during the year are discussed in note 22.

POST BALANCE SHEET EVENTS

There were three post balance sheet events. These are set out in more detail in note 37 Post Balance Sheet Events.

GOING CONCERN

The Directors have considered the going concern assumption of the Company and the Group by assessing the operational and funding requirements of the Company and the Group.

The Directors have prepared financial projections along with sensitivity analyses of reasonably plausible alternative outcomes. The forecasts demonstrate that the directors have a reasonable expectation that the existing Group has adequate financial resources to continue operating for a period of at least 12 months from the date of signing of the financial statements. Therefore the Directors continue to adopt the Going Concern basis of accounting in preparing the consolidated and Company financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the group and the company financial statements in accordance with UK-adopted international accounting standards.

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

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

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

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

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

DIRECTORS' CONFIRMATIONS

In the case of each Director in office at the date the directors' report is approved:

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

DIRECTORS' LIABILITY INSURANCE

The Company has entered into deeds of indemnity for the benefit of each Director of the Company in respect of liabilities to which they may become liable in their capacity as director of the Company and any company in the Group. Those indemnities are qualifying third party indemnity provisions for the purposes of S. 234 of Companies Act 2006 and have been in force from 15 April 2022 (or, if later, the date of the Director's appointment) up to the date of approval of the financial statements and will continue to be in force.

INDEPENDENT AUDITORS

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

CORPORATE GOVERNANCE

The Company's statement of corporate governance can be found on pages 28 to 33 of these financial statements. The Corporate Governance Statement forms part of this Report of the Directors and is incorporated by cross-reference. The Board confirms that it has complied with the requirements of the Quoted Company Alliance Corporate Governance Code for small and medium sized companies, save as disclosed below.

ANNUAL GENERAL MEETING

The resolutions to be proposed at the forthcoming Annual General Meeting are set out in the formal notice of the meeting as set out on pages 101 to 106.

RECOMMENDATION

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

APPROVAL OF ANNUAL REPORT

The Corporate Governance Report, the Strategic Report and the Directors' Report were approved by the Board on 15 February 2023.

By order of the Board

Gary Marshall
CFO

15 February 2023
Company Registration Number: 04966347

6. CORPORATE GOVERNANCE REPORT

Dear Shareholder,

The Board recognises the key value of good corporate governance in ensuring the long term sustainable success of the Company. In accordance with AIM Rule 26, the Company chooses to report against the Quoted Company Alliance Corporate Governance Code for small and medium sized companies (the “**QCA Code**”).

The following Report sets out the Company’s governance arrangements and describes how the ten principles of the QCA Code have been addressed and provides the disclosures indicated by the QCA Code. The Board has reviewed the Corporate Governance disclosures and believes that the Group complies with the principles and disclosures required by the QCA Code, except as otherwise disclosed below.

Martin Gilbert

Chairman

15 February 2023

QCA CODE COMPLIANCE

The Company has adopted the QCA Code. The disclosures below describe in detail how we have applied the principles of the QCA Code and where our practices differ from the expectations of the QCA Code. A formal statement on our compliance with the QCA Code is set out in the Directors’ Report at page 27.

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

The Business Review set out on page 4 and Strategic Report set out on page 10 describe the business model and business objectives which when read with the Chairman’s Statement describe the past year’s activity and the desired future prospects of the Group. Further detail of the strategy is included in the Directors’ Report. The principal risks and uncertainties which may impact the Group’s ability to achieve its strategy are set out on pages 13.

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

The Company, through its Chairman, has regular contact with its institutional Shareholders to understand their needs and expectations. Christopher Mills is the CEO of the company’s largest shareholder and where appropriate provides feedback to the Board on that shareholder’s view of the Company’s performance. The Board supports the principle that the Annual General Meeting will be used to communicate with private Shareholders and will encourage them to participate.

Shareholders can access corporate, regulatory, news, share capital information on the Company’s website at www.assetco.com. Enquiries can be directed to the Board using the corporate email address: info@assetco.com

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

Details of the Board’s consideration of its stakeholders is set out on page 15 (S172 Report).

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

The Board considers regularly the risks relating to the Company’s activities. Details of the principal risks facing the Company were set out in Part II of the readmission document published by the Company on 26 March 2022 (the “**Readmission Document**”) under the heading “Risk Factors”. A copy of the Readmission Document is available on the Company’s website at www.assetco.com.

Further details of the risks and uncertainties facing the Company are set out in the Strategic Report on page 13 of this document.

Details of the approach to internal controls and risk management are set out in the Strategic Report. The Company does not currently have an internal assurance function and has appointed a third party to undertake this work on a case by case basis. The Board will continue to review the risk management framework and assess its effectiveness during 2023.

5. Maintain the Board as a well-functioning balanced team led by the Chair

The composition of the Board is considered to be appropriate in terms of the current development of the Company's business strategy. There is an appropriate balance between executive and non-executive directors, two of whom were considered by the Board to be independent during the accounting period. There are four Board Committees. The terms of reference for each is available on the Company's website at www.assetco.com.

Details of meeting frequency and attendance are set out below. All Board members are expected to attend the Company's quarterly board meetings and relevant Board Committee meetings and to ensure that they have sufficient time to allocate to their role. Each board member has confirmed that he has sufficient time to perform the role effectively.

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

The Directors (biographical details in respect of whom are set out on pages 18 to 21 of this document) have a wide range of qualifications and expertise which is to be considered appropriate in terms of the implementation of the Company's strategy. The Board fosters an attitude of independence of character and judgement. The Company Secretary advises the Board on all governance matters. All Directors have access to the Company Secretary and the General Counsel's services and advice. While the Board is satisfied that its Directors have the appropriate skills and expertise, no disclosure is provided detailing the steps Directors take to keep their skills up to date. The Board values diversity and expects to improve its gender balance in the current year.

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

The Board has been focussed on the implementation of the Company's new strategy and the completion of several corporate transactions. The Board has not undertaken a formal evaluation process of its effectiveness during the period. It is the intention of the Board to put in place a formal evaluation process for all Directors in line with our strategic focus in 2023.

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

The Board, in developing the Company through the implementation of its new strategy, will promote a positive corporate culture and desired ethical behaviours within the Company, and communicate these across the Group. Integrity is key to the Group's success and is fundamental to the development of a conduct led culture across the Group. The Group has a suite of policies which underpin the Board's expectations of ethical values and behaviours. Work is ongoing on the development of a common set of policies across the Group's operating businesses.

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

The Board is responsible for the Company's system of internal controls and reviewing its effectiveness. The procedures for planning and monitoring the operation and performance of the Company, as well as its compliance with applicable law and regulations, are set out below under "Corporate Governance". The Board has not formally approved a schedule of matters reserved for the Board but requires various matters to be escalated from its operating subsidiaries. The roles of Chairman, CEO and Senior Independent Director are clearly understood and are operating satisfactorily.

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

The principal method of communicating the Company's corporate governance process and principles is the Annual Report which is being sent directly to Shareholders and is available on the Company's website at www.assetco.com. The Annual General Meeting also provides an opportunity for Shareholders to address corporate governance matters. Details of the role of the Board's committees and work undertaken is described below. Consideration will be given to increased disclosure and a more detailed Remuneration Committee Report when a new long term incentive plan is put in place.

CORPORATE GOVERNANCE

LEADERSHIP AND STRATEGY

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

The Board has provided the Group with entrepreneurial leadership and is responsible for the long-term sustainable success of the Company for the benefit of its shareholders. The Board has regard for its other stakeholders, including employees, clients, supplier and regulatory authorities. Further detail of this is set out in the Section 172 Statement on page 15.

During the period, the Board has focussed on the development and execution of the Company's new strategy. A significant focus has been on the development of, and execution of, acquisition opportunities, the integration of those businesses and the reduction of costs in those businesses.

The Board has reviewed and challenged the annual budget during the period. The Board receives regular reports on the progress of the implementation of cost reduction strategies and the integration of the active equity businesses onto a single operating model. The Board also considered the resources required for the Group's size and complexity.

BOARD COMPOSITION

The Board comprises four Executive Directors and four Non-Executive Directors.

No individual or group of individuals dominate the Board or its decision making.

The Board considers Jonathan Dawson and Mark Butcher to be independent directors for the purposes of the QCA Code during the reporting period. The Board considered Mark Butcher's tenure and notes that it is not concurrent with current management and did not hinder his ability to be objective. Jonathan Dawson is the Senior Independent Director.

Details of the skills and competencies brought by each Director are set out on pages 18 to 21 in their respective biographies.

All Directors are required to stand for re-election on an annual basis at the Company's annual general meeting in accordance with the Company's Articles of Association. Mark Butcher confirmed he will not be standing for re-election.

The Board, through the Nominations Committee, will continue to review the Board's composition to ensure that the skills and experience of Directors support the growth of the Company and the achievement of its strategic objectives. In doing so, Board diversity will be actively considered.

The Board has determined that it has the appropriate balance of skills and experience to enable it to effectively lead the Company.

BOARD AND COMMITTEE ATTENDANCE

During the year, the Board held 11 scheduled meetings, which included meetings to approve specific transactions as well as meetings to approve the Company's full and half year results. Board and Committee Member attendance at meetings is set out below:

BOARD ATTENDANCE

Director	Board	Audit	Remuneration	Nominations
Martin Gilbert ¹	8/11	n/a	n/a	n/a
Campbell Fleming	11/11	n/a	n/a	n/a
Christopher Mills	8/11	0/2	1/1	2/2
Jonathan Dawson ²	2/2	n/a	n/a	2/2
Peter McKellar	11/11	n/a	n/a	n/a
Mark Butcher	11/11	2/2	1/1	2/2
Tudor Davies	10/11	2/2	1/1	2/2

¹ Martin Gilbert was the Deputy Chairman of River and Mercantile Group PLC and accordingly recused himself where conflicted. This is reflected in the attendance table above.

² Jonathan Dawson was appointed on 15 June 2022

COMMITMENT

The Board requires all Directors to devote sufficient time to their duties and use their best endeavours to attend all meetings. The Directors' appointment letters or service contracts (as applicable) set out a minimum time commitment, which for a non-executive director includes attendance at six board meetings per annum, attendance at the AGM and additional meetings as required. The Board is satisfied that each Director has sufficient time to undertake their duties effectively.

GOVERNANCE FRAMEWORK

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

The terms of reference of each Board Committee has been reviewed, updated and approved.

The Board continues to review the governance arrangements across the Group which are evolving as part of the consolidation and integration work following the completion of acquisitions.

OPERATION OF THE BOARD

The Board meets on a scheduled quarterly basis and on an ad-hoc basis to consider specific items of business as the need arises. During the period, the Board has met to consider several acquisitions, including Revera Asset Management, River and Mercantile and SVM, the sub-division of the Company's shares and cancellation of share premium account and matters relating to the integration of acquired businesses and the reduction of costs.

The Chairman, in conjunction with the Executive Directors and Company Secretary, sets the agenda for each Board meeting. Management information is delivered ahead of each Board meeting and a comprehensive set of papers is circulated before Board meetings. The decisions of the Board are formally minuted.

All Directors have access to the Company Secretary's services and advice.

On certain matters in the year, the Board has sought external advice.

CONFLICTS OF INTEREST

The Board takes action to identify and manage conflicts of interest. Where conflicts of interest arise, the relevant Director would declare his interest in the matter and recuse himself from the discussion and any related decision.

DELEGATION OF AUTHORITY

The Board is responsible for setting strategy, purpose and the direction of the Company. The Board has delegated to the Chief Executive Officer authority for the day to day running of the business and specific authority (as set out in the terms of reference of each committee) to the Audit, Remuneration, Nominations and Disclosure Committees (the "Committees"). The Committees have the remits described below.

AUDIT COMMITTEE

COMMITTEE COMPOSITION

The Audit Committee comprises all the Non-Executive Directors and is chaired by Tudor Davies (Chair). The Committee members have a mix of financial and sector experience. The Committee received information and support from the Executive Directors as well as the Company Secretary in performing its duties.

THE COMMITTEE'S RESPONSIBILITIES

The Audit Committee is focused on the key areas of financial integrity, internal controls and risk management. This includes:

- review of the financial statements and Annual Report;
- consideration of the external audit report and management representation letter;
- going concern review;
- review of the 2022 audit plan and audit engagement letter;
- Review of the auditor's fees and non-audit services
- review of the risk management and internal control systems;
- review of the interim results; and
- meetings with the auditors with and without management present

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

The auditors prepare an audit plan for the full-year financial statements. The audit plan sets out the scope of the audit, areas of special focus and audit timetable. This plan is reviewed and agreed in advance by the Audit Committee. Following the audit of the annual financial statements, the auditors present their findings to the Audit Committee for discussion. Areas of significant risk and matters of audit judgement are regularly discussed, and are detailed in note 4; 'Critical accounting estimates and judgements'. External experts were engaged for key areas of focus; such as the identification and valuation of intangible assets on acquisition in the preparation of the 2022 financial statements.

REVIEW OF ACTIVITIES DURING THE YEAR

During the year ended 30 September 2022 the Audit Committee met twice. The Committee considered:

- The auditor's year-end audit plan
- The annual report and financial statements for the year-ended 30 September 2021 and the interim results for the current period to ensure they were fair, balanced and understandable
- Significant accounting judgments and estimates
- Going concern
- Impairments and
- Acquisition accounting.

REMUNERATION COMMITTEE

COMMITTEE COMPOSITION

The Remuneration Committee comprises all the Non-Executive Directors and is chaired by Christopher Mills. As the Company is not listed on the Main Market, it is not subject to the requirements of the Large and Medium Sized Companies and Groups (Accounts and Reports) (amendment) Regulations 2013.

THE COMMITTEE'S RESPONSIBILITIES

The Remuneration Committee is tasked with ensuring that Directors and senior employees are provided with an appropriate package of incentives and rewards that align personal reward with increased shareholder value over both the short and longer term. This includes:

- Determining the framework or policy for remuneration for the Company's Executive Directors and senior management;
- Setting targets for any performance related pay schemes;
- Overseeing any long term incentive share schemes; and
- Overseeing major changes in employee benefit structures

REVIEW OF ACTIVITIES DURING THE YEAR

During the year ended 30 September 2022 the Remuneration Committee met twice. The Committee considered matters related to the discontinuance of the Company's Long Term Incentive Plan and the acceleration of the issue of shares under that plan.

NOMINATIONS COMMITTEE

COMMITTEE COMPOSITION

The Nominations Committee comprises all the Non-Executive Directors and is chaired by Mark Butcher.

THE COMMITTEE'S RESPONSIBILITIES

The Nominations Committee is responsible for reviewing the structure, size and composition of the Board and identifying and nominating, for the approval of the Board, candidates to fill vacancies on the Board as and when they arise. This includes:

- Responsibility for identifying and nominating for approval of the Board candidates to fill Board vacancies
- Evaluating the balance of skills, knowledge and experience on the Board;
- Considering succession planning for directors and senior executives; and
- Reviewing the time requirements for Board positions.

REVIEW OF ACTIVITIES DURING THE YEAR

The Nomination Committee met twice during the year and considered the appointment of Gary Marshall as Chief Financial and Operating Officer and the appointment of the company secretary.

DISCLOSURE COMMITTEE

The Disclosure Committee is responsible for determining whether information concerning the Company or its shares constitutes inside information which should be disclosed to the market and includes the timing of such disclosures and the approval of the content of such disclosures. The Disclosure Committee is comprised of Martin Gilbert, Campbell Fleming and Gordon Brough, the Company's General Counsel. The Disclosure Committee meets on an ad-hoc basis as required.

The terms of reference for each Committee is available on the Company's website at www.assetco.com.

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

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

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

- give a true and fair view of the state of the Group's and of the Company's affairs as at 30 September 2022 and of the Group's loss and the Group's and Company's cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: Consolidated and Company's Statement of Financial Position as at 30 September 2022; Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated and Company's Statements of Cash Flows, and Consolidated and Company Statements of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

BASIS FOR OPINION

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

INDEPENDENCE

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

OUR AUDIT APPROACH

CONTEXT

AssetCo plc is an asset and wealth management business, which listed on the Alternative Investment Market in 2021, and in the last two years made acquisitions of Saracen Fund Managers Limited ('Saracen'), Rize ETF Limited ('Rize'), River and Mercantile Group PLC ('River') and Revera Asset Management Limited ('Revera'). The Group's main operations are in the United Kingdom and it offers products across various segments of the market through the businesses it has acquired. In planning for our audit of the Group, we met with the Audit Committee and members of management to discuss and understand significant changes to the business during the year, and to understand their perspectives on associated business risks. We used this insight when forming our views regarding the business, as part of developing our audit plan and when scoping and performing our audit procedures.

OVERVIEW

Audit scope

- We conducted a full scope audit over the financial information of AssetCo plc, Saracen and Rize. Our audit work over these components accounted for 31% of Group revenue and 53% of Group total assets.
- We scoped in material consolidation adjustments, including those for goodwill and intangible assets, and performed audit testing over these.
- A significant proportion of the Group's trading comes from River. We instructed BDO UK LLP ('BDO'), the existing statutory auditors of this group, to perform a full scope audit of this component, for the period from acquisition by the Group to the period end. Their testing covered a further 68% of Group revenue and 43% of Group total assets.
- In addition to BDO's audit over River's financial information, we also independently performed testing procedures over 42% of this revenue. This increased our coverage of Group revenue from 31% to 60%.
- We received reporting from BDO with respect to their audit and performed appropriate oversight of their audit work, including review of their working papers. Our combined audit work accounted for 99% of both Group revenue and Group total assets.

Key audit matters

- Revenue recognition (Group)
- Valuation of goodwill and intangible assets (Group)
- Impairment of goodwill and intangible assets (Group)
- Impairment of investment in subsidiaries (Company)
- Estimation of current income tax liability in relation to an uncertain tax position (Group and Company)
- Recoverability of drawings made in advance of profit (Group)

Materiality

- Overall Group materiality: £1,020,920 (2021: £596,000) based on 1% of total assets.
- Overall Company materiality: £992,000 (2021: £566,000) based on 1% of total assets.
- Performance materiality: £765,690 (2021: £447,000) (Group) and £744,000 (2021: £424,000) (Company).

THE SCOPE OF OUR AUDIT

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

KEY AUDIT MATTERS

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

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

Revenue recognition and recoverability of drawings made in advance of profit are new key audit matters this year as this is the first year the Group has generated revenue from operating subsidiaries and the first period the partnership with these advanced drawings is being consolidated within the Group. Valuation of the long-term incentive plan, which was a key audit matter last year, is no longer included because the plan has been discontinued during the period. Otherwise, the key audit matters below are consistent with prior year.

Key audit matter	How our audit addressed the key audit matter
<i>Revenue recognition (Group)</i>	
<p>Refer to Note 2.3 Revenue recognition and Note 5 Segmental reporting</p> <p>Revenue in the Group comprises management and marketing fees of £8.2m.</p> <p>The recognition of management and marketing fees is dependent on the terms of the underlying prospectus or investment management agreements ('IMAs') between the Group and its clients and/or the funds it manages. Management and marketing fees are calculated as a percentage of Assets Under Management ('AUM') and the percentage applied varies across different funds and products.</p> <p>The calculations are non-complex, however there are a number of inherent risks including the input of correct fee rates and the existence and valuation of AUM, which could result in errors.</p>	<p>For all material revenue streams, the design and implementation of key controls were evaluated, including outsourced activities at the outsourced providers.</p> <p>To obtain audit comfort over the key controls supporting the existence and valuation of AUM as an input into the calculation of revenue, we have performed the following procedures:</p> <ul style="list-style-type: none"> • The control environment in place at outsourced service providers was assessed to the extent that it was relevant to our audit. The control reports undertaken in accordance with generally accepted assurance standards, were obtained and read, paying particular attention to the nature of any exceptions in the testing identified by the independent service auditor of the outsourced providers. • The key controls on which we could place reliance to provide audit evidence were identified and relevant complementary user entity controls in place at the Group were tested, where applicable. Where the control reports had not been prepared for the year ended 30 September 2022, we assessed the gap period and obtained bridging letters where necessary. <p>Substantive audit evidence was also obtained as set out below:</p> <ul style="list-style-type: none"> • 100% of management and marketing fees were recalculated in respect of River, Saracen and Rize using AUM information obtained from the outsourced service providers or obtained directly from the client and fee rates obtained from prospectuses/Investment Management Agreements, using the calculation methodology stated in the agreement. These amounts were reconciled to amounts included in the Group financial statements and 100% of management and marketing fees per the financial statements were agreed to bank statements for subsequent receipt. <p>Based on the audit procedures performed and evidence obtained, our testing did not identify any evidence of material misstatement.</p>

Key audit matter	How our audit addressed the key audit matter
<i>Valuation of goodwill and intangible assets (Group)</i>	
<p>Refer to Note 22 Business combinations</p> <p>During the period, the Group has made the following two transactions:</p> <ul style="list-style-type: none"> On 15 June 2022, AssetCo plc acquired 94.15% of the ordinary shares of River and Mercantile Group plc ('River') that it did not already own for £41.9m. This acquisition was wholly settled by the issue of new ordinary shares in AssetCo plc. On 5 August 2022, AssetCo plc acquired the entire share capital of Revera Asset Management Limited ('Revera'). Consideration consisted of initial cash payable of £1m, with a deferred consideration of £100k payable 12 months after completion. <p>Both transactions were accounted for as a business combination. Assets and liabilities existing on the date of acquisition were recorded on the Consolidated Statement of Financial Position, including the identification of intangible assets. Intangible assets in relation to institutional client contracts (£2.4m), brand (£450k) and software (£1.25m) were identified in relation to River. No intangible assets were identified in relation to Revera.</p> <p>The difference between the fair value of assets and liabilities acquired and fair value of consideration paid was recorded as goodwill on the Revera acquisition of £650k and a gain on bargain purchase in relation to the acquisition of River of £3.2m.</p> <p>These business combinations are considered key audit matters due to the high level of judgement and estimate around identification and valuation of goodwill and intangible assets.</p>	<ul style="list-style-type: none"> We assessed whether the classification as a business combination and treatment of the various aspects of the transactions were in accordance with IFRS 3 'Business Combinations'. In respect of the fair value of consideration paid, we reviewed the purchase agreements, recalculated the issue of shares in respect of River and understood the terms of the deferred consideration in respect of Revera. We performed procedures to confirm the valuation and existence of material assets and the completeness and accuracy of material liabilities on the acquisition balance sheets on a sample basis. We reviewed management's assessment of the identification of intangible assets in accordance with the requirements with IFRS 3 'Business Combinations'. <p>We engaged our valuations experts to assess the appropriateness of the methodology used and the reasonableness of the key assumptions within the models for the intangible assets recognised on the River acquisition by:</p> <ul style="list-style-type: none"> Corroborating key inputs to the models to relevant supporting documentation, including assets under management, revenues and costs; Assessing key assumptions used, including the AUM growth rates, attrition rates, discount rate, royalty rates and useful economic life; Testing the mechanics and mathematical accuracy of the models. We ensured the deferred tax liability was calculated accurately in relation to the recognised intangible assets. We recalculated goodwill and the gain on bargain purchase as the difference between the fair value of assets and liabilities acquired and the fair value of the consideration paid. We assessed the appropriateness of the accounting and disclosures in relation to the acquisitions within the Group financial statements. <p>We are satisfied that based on the work performed, the acquisitions have been accounted for appropriately with adequate disclosures made in the Group financial statements.</p>

Key audit matter	How our audit addressed the key audit matter
<i>Impairment of goodwill and intangible assets (Group)</i>	
<p>Refer to Note 20 Goodwill and intangible assets</p> <p>Goodwill and intangible assets of £20.1m are recognised on the Group's Statement of Financial Position following the acquisition of Saracen and Rize during 2021.</p> <p>Goodwill in the Group is significant, and the estimated recoverable amount of these balances is subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows.</p> <p>Management is required by IAS 36 'Impairment of assets' to perform an annual impairment review and consider if there are any impairment indicators in respect of the carrying value of goodwill and intangible assets. Management performed their annual impairment review which demonstrated that no impairment was required for the goodwill and the intangible assets recognised on acquisition of both Saracen and Rize. Each of these entities are considered a separate cash generating unit (CGU) and separate impairment assessments have been performed for each.</p> <p>The impairment reviews used discounted cash flow models to calculate the net value of the CGUs future earnings. The model involved a number of estimates and assumptions made by management including those related to long-term growth rates and discount rate. The sensitivity of these key assumptions are detailed in note 16, Intangible assets.</p>	<p>We obtained management's impairment review and performed the following procedures:</p> <ul style="list-style-type: none"> • Tested management's goodwill and intangible asset impairment assessment for compliance with IAS 36 including validating inputs to the calculation and assessing and challenging the reasonableness of the assumptions. • Challenged management's projected cash flows used in discounted cash flow models to determine whether they are reasonable and supportable given the current macroeconomic climate and expected future performance of the CGU. • Compared the discount rates used by management in the discounted cash flow models to PwC internally developed benchmarks, using our valuation experts. • Tested the mathematical accuracy of the models. • Performed sensitivity analysis on key assumptions and assessed the impact and likelihood of these changes on the level of headroom in the models to evaluate the impact on the carrying value of the goodwill. • Assessed the disclosures made in the Group financial statements. <p>Based on the audit procedures performed and evidence obtained, our testing did not identify any evidence of material misstatement.</p>

Key audit matter	How our audit addressed the key audit matter
<i>Impairment of investment in subsidiaries (Company)</i>	
<p>Refer to Note 21 Investment in subsidiaries</p> <p>The investment in subsidiaries included in the Company statement of financial position as at 30 September 2022 is £69.9m.</p> <p>The impairment assessment of the investment in subsidiaries balance is a key audit matter due to the magnitude of the balance in the context of the net assets of the Company.</p> <p>Impairment triggers were identified for the investment in subsidiaries in Saracen, Rize and Revera and therefore impairment assessments were undertaken for these subsidiaries.</p>	<p>We performed the following procedures in relation to the impairment assessment of investment in subsidiaries in Saracen, Rize and Revera:</p> <ul style="list-style-type: none"> • Compared the carrying value of the subsidiaries to management's projected cash flows used in discounted cash flow models generated by the Company's subsidiaries. • Challenged management's projected cash flows used in the models. • Assessed the appropriateness of the discount rates and long-term growth rate assumptions compared to PwC internally developed benchmarks, using our valuation experts. • Assessed the disclosures made in the Company financial statements. <p>Based on the audit procedures performed we identified an impairment in relation to the investment in Revera of £0.5m which management have adjusted for.</p>
<i>Estimation of current income tax liability in relation to an uncertain tax position (Group and Company)</i>	
<p>Refer to Note 4 Critical accounting estimates and judgements</p> <p>The Group and Company's current tax provision of £1.4m relates to the Directors' assessment in the prior year, of the amount of tax payable on open positions where the liabilities remain to be agreed with the relevant tax authorities. The uncertain tax items relate to the Directors' interpretation of tax legislation applicable to key transactions that occurred in prior years, specifically the award in the settlement of the case against Grant Thornton on 2 October 2020 for £30.515m. The related expense of £1.4m was included in the consolidated income statement in the prior year financial statements.</p> <p>The Directors' recognise that due to the uncertainty associated with such tax items, it is possible that, on conclusion of open tax matters at a future date, the final outcome may differ significantly. A range of outcomes for additional or reduction in tax liabilities are further disclosed in note 4, Critical accounting estimates and judgements</p>	<p>In the prior year, we undertook procedures to assess the uncertain tax position in accordance with IFRIC 23.</p> <ul style="list-style-type: none"> • We obtained management's tax paper, and challenged the key judgements and application of tax legislation, supported by our internal tax specialists. • We reviewed the analysis prepared in the assessment and confirmed the accuracy of the calculations. • We have assessed the effect of the uncertainty reflected in the calculated current tax using the 'most likely amount' method. <p>We understand that the tax matter remains open as at the Statement of Financial Statement date. Our tax specialists have discussed the matter with management to confirm that there is no further information to reassess the value of the current income tax liability held in relation to this matter.</p> <p>We reviewed the disclosures to ensure the appropriate risks and estimation uncertainty are adequately described in note 4, Critical accounting estimates and judgements.</p> <p>Based on the audit procedures performed and evidence obtained, our testing did not identify any evidence of material misstatement.</p>

Key audit matter	How our audit addressed the key audit matter
<i>Recoverability of drawings made in advance of profit (Group)</i>	
<p>Refer to Note 24 Long term receivables</p> <p>A partnership within the Group is still in the very early stages of its life cycle and has not generated any profit during its first accounting period (ended 30 June 2022). The partnership agreement permits individual members to make drawings from the partnership ahead of profit being generated. The advanced drawings to members have therefore been held on the Statement of Financial Position as receivables to the Group.</p> <p>Judgement is required to assess the likelihood of recoverability of these receivables. As at 30 September 2022, the Group had recognised £1.2m in relation to these amounts on the Statement of Financial Position.</p>	<p>The following procedures were undertaken:</p> <ul style="list-style-type: none"> • Available forecasts and budgets were obtained, together with an understanding of management's assessment that profitability is achievable to support the recoverability of drawings. • The inputs and assumptions to the forecasts and budgets were challenged to ensure there is no management bias. • Partner drawings were tested to payroll reports and bank statements to ensure existence and accuracy. • Independent confirmations were obtained from the individual partners confirming the value of drawings made in advance of profit. • The LLP agreement was reviewed, to ensure the drawings are in line with this. <p>Based on the audit procedures performed and evidence obtained, our testing did not identify any evidence of material misstatement.</p>

HOW WE TAILORED THE AUDIT SCOPE

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

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls and the use of different statutory auditors across the Group.

In planning our audit, we have considered the potential impact of climate change on the Group's business and its financial statements, including going concern. The Group is at an early stage in developing its assessment of the potential impacts and opportunities of ESG and climate change. As a part of our audit, we have obtained management's climate-related risk assessment and held discussions with management to understand the process of identifying climate-related risks, the determination of mitigating actions and management's conclusion that there is no material impact on the Group's financial statements.

We received reporting from BDO with respect to their audit over River and performed appropriate oversight of their audit work, including review of their working papers. Our combined audit work accounted for 99% of both Group revenue and Group total assets. Our audit scope provided sufficient appropriate audit evidence as a basis for our opinion on the Group financial statements as a whole.

MATERIALITY

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

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

	Financial statements – Group	Financial statements – Company
<i>Overall materiality</i>	£1,020,920 (2021: £596,000)	£992,000 (2021: £566,000)
<i>How we determined it</i>	1% of total assets	1% of total assets
<i>Rationale for benchmark applied</i>	We have considered the fact the Group is in its second period of operations following the change in strategy to asset and wealth management, with their largest acquisition to date having taken place just three months prior to the period end, and with further acquisitions expected in the future, we concluded that the primary focus of users of financial statements would be cash and the value of investments, including goodwill.	As a holding Company which is not profit oriented, we deem total assets to be the most appropriate benchmark for the Company.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. For certain components the allocation of Group materiality was their local statutory audit materiality or lower. The range of materiality allocated across components was £25,000 to £931,000.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2021: 75%) of overall materiality, amounting to £789,570 (2021: £447,000) for the Group financial statements and £748,000 (2021: £424,000) for the Company financial statements.

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

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £53,000 (Group audit) (2021: £27,000) and £50,000 (Company audit) (2021: £27,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

“ We continue to seek out potential opportunities for further inorganic expansion ”

Martin Gilbert
Chairman



CONCLUSIONS RELATING TO GOING CONCERN

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

- Checking the arithmetical accuracy of management's forecasts.
- Evaluating management's base case forecast and downside scenarios, challenging the appropriateness of the underlying assumptions used to make the assessment, and evaluating the directors' plans for future actions in relation to their going concern assessment.

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

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

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

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

REPORTING ON OTHER INFORMATION

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

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

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

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

STRATEGIC REPORT AND DIRECTORS' REPORT

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 September 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

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

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the UK regulatory principles, such as those governed by the Financial Conduct Authority, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journal entries to increase revenue and potential management bias in accounting estimates, in particular in relation to the valuation and impairment of intangible assets and goodwill. The Group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the Group engagement team and/or component auditors included:

- Discussions with management, and review of relevant meeting minutes (including those of the Board of Directors and the Audit Committee), including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing regulatory correspondence from the Financial Conduct Authority;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- Challenging assumptions made by management in their significant accounting estimates, in particular in relation to the valuation and impairment of intangible assets and goodwill (see related key audit matters); and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations against revenue accounts and entries posted containing unusual account descriptions, where any such journals were identified.

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

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

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

USE OF THIS REPORT

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

OTHER REQUIRED REPORTING

COMPANIES ACT 2006 EXCEPTION REPORTING

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

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

We have no exceptions to report arising from this responsibility.

Natasha McMillan

Senior Statutory Auditor

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

15 February 2023



FINANCIAL STATEMENTS



8. CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Note	2022 £000	2021 £000
Revenue	5	8,175	408
Cost of sales		–	(536)
Gross profit/(loss)		8,175	(128)
Other income	6	1,977	22,388
Administrative expenses	7	(25,565)	(7,967)
Other losses/gains	8	(9,732)	–
Operating (loss)/profit	9	(25,145)	14,293
Gain on bargain purchase	12	3,227	–
Finance income	13	12,433	1,844
Finance costs	14	(10)	(8)
Finance income (net)		12,423	1,836
Share of results of associate	23	181	–
(Loss)/profit before tax		(9,314)	16,129
Income tax credit/(expense)	16	59	(1,442)
(Loss)/profit for the year		(9,255)	14,687
(Loss)/profit attributable to:			
Owners of the parent		(8,440)	14,796
Non-controlling interest		(815)	(109)
		(9,255)	14,687
(Loss)/earnings per ordinary share attributable to the owners of the parent during the year			
Basic – pence (restated) ¹	17	(8.19)	18.06
Diluted – pence (restated) ¹	17	(8.19)	16.10

¹ Details of the restatements are set out in Note 17.

9. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Note	2022 £000	2021 £000
(Loss)/profit for the year	5	(9,255)	14,687
Other comprehensive (expense)			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translating foreign operations		–	(7)
Other comprehensive (expense), net of tax		–	(7)
Total comprehensive (loss)/income for the year		(9,255)	14,680
Attributable to:			
Owners of the parent		(8,440)	14,789
Non-controlling interests		(815)	(109)
Total comprehensive (loss)/income for the year		(9,255)	14,680

10. CONSOLIDATED AND COMPANY'S STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2022

	Note	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Assets					
Non-current assets					
Property, plant and equipment	18	32	16	-	-
Right-of-use assets	19	224	-	-	-
Goodwill and intangible assets	20	24,600	20,067	-	-
Investments in subsidiaries	21	-	-	69,921	25,194
Investment in associates	23	22,052	-	21,871	-
Long-term receivables	24	1,208	-	-	-
Total non-current assets		48,116	20,083	91,792	25,194
Current assets					
Trade and other receivables	25	9,700	607	34	108
Financial assets at fair value through profit and loss	26	37	12,000	-	12,000
Current income tax receivable	29	1,173	3	-	-
Cash and cash equivalents	27	43,066	26,902	7,394	22,226
Total current assets		53,976	39,512	7,428	34,334
Total assets		102,092	59,595	99,220	59,528
Liabilities					
Non-current liabilities					
Deferred tax liabilities	32	1,070	49	-	-
Total non-current liabilities		1,070	49	-	-
Current liabilities					
Trade and other payables	28	12,750	1,972	5,853	1,466
Lease liabilities	19	294	-	-	-
Current income tax liabilities	29	1,437	1,437	1,437	1,437
Total current liabilities		14,481	3,409	7,290	2,903
Total liabilities		15,551	3,458	7,290	2,903
Shareholders' equity					
Issued share capital	31	1,493	843	1,493	843
Share premium	31	-	27,770	-	27,770
Capital redemption reserve	31	653	653	653	653
Merger reserve	31	43,063	2,762	43,063	2,762
Other reserve	31	-	5,496	-	5,496
Retained earnings		42,426	18,892	46,721	19,101
		87,635	56,416	91,930	56,625
Non-controlling interest		(1,094)	(279)	-	-
Total equity		86,541	56,137	91,930	56,625
Total equity and liabilities		102,092	59,595	99,220	59,528

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the Company income statement. The loss of the Company for the year was £4,354,000 (2021: profit £15,005,000).

The notes on pages 54 to 100 are an integral part of these consolidated financial statements. The financial statements were authorised for issue by the board of directors on 15 February 2023 and were signed on its behalf by Gary Marshall.

AssetCo plc

Registered number: 04966347

11. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	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 2020	1,221	–	–	–	–	31,124	32,345	–	32,345
Profit for the year	–	–	–	–	–	14,796	14,796	(109)	14,687
Other comprehensive expense:									
Exchange differences on translation	–	–	–	–	–	(7)	(7)	–	(7)
Total comprehensive income for the year	–	–	–	–	–	14,789	14,789	(109)	14,680
Shares issued for cash (note 31)	173	24,840	–	–	–	–	25,013	–	25,013
Costs of share issue (note 31)	–	(515)	–	–	–	–	(515)	–	(515)
Share buy-back (note 31)	(653)	–	653	–	–	(26,850)	(26,850)	–	(26,850)
Costs of share buy-back (note 31)	–	–	–	–	–	(171)	(171)	–	(171)
Shares issued on acquisition (note 31)	17	–	–	2,762	–	–	2,779	–	2,779
Reserve for share-based payments									
– LTIP (note 31)	–	–	–	–	5,496	–	5,496	–	5,496
– Success fee (note 6)	85	3,445	–	–	–	–	3,530	–	3,530
Non-controlling interest acquired	–	–	–	–	–	–	–	(170)	(170)
Balance at 30 September 2021	843	27,770	653	2,762	5,496	18,892	56,416	(279)	56,137
Loss for the year	–	–	–	–	–	(8,440)	(8,440)	(815)	(9,255)
Other comprehensive expense:									
Exchange differences on translation	–	–	–	–	–	–	–	–	–
Total comprehensive income for the year	–	–	–	–	–	(8,440)	(8,440)	(815)	(9,255)
Shares issued on acquisition (note 31)	598	–	–	41,301	–	–	41,899	–	41,899
Costs of share issue (note 31)	–	–	–	(1,000)	–	–	(1,000)	–	(1,000)
Share-based payments – LTIP (note 31)	52	4,255	–	–	(5,496)	–	(1,189)	–	(1,189)
Share premium cancellation (note 31)	–	(32,025)	–	–	–	32,025	–	–	–
Shares bought for treasury	–	–	–	–	–	(51)	(51)	–	(51)
Balance at 30 September 2022	1,493	–	653	43,063	–	42,426	87,635	(1,094)	86,541

12. COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Share capital £000	Share Premium £000	Capital redemption reserve £000	Merger reserve £000	Other reserve £000	Profit and loss account £000	Total Equity £000
Balance at 1 October 2020	1,221	–	–	–	–	31,124	32,345
Profit for the year	–	–	–	–	–	15,005	15,005
Other comprehensive expense:							
Exchange differences on translation	–	–	–	–	–	(7)	(7)
Total comprehensive income for the year	–	–	–	–	–	14,998	14,998
Shares issued for cash (note 31)	173	24,840	–	–	–	–	25,013
Costs of share issue (note 31)	–	(515)	–	–	–	–	(515)
Share buy-back (note 31)	(653)	–	653	–	–	(26,850)	(26,850)
Costs of share buy-back (note 31)	–	–	–	–	–	(171)	(171)
Shares issued on acquisition (note 31)	17	–	–	2,762	–	–	2,779
Share-based payments							
– LTIP (note 31)	–	–	–	–	5,496	–	5,496
– Success fee (note 6)	85	3,445	–	–	–	–	3,530
Balance at 30 September 2021	843	27,770	653	2,762	5,496	19,101	56,625
Loss for the year	–	–	–	–	–	(4,354)	(4,354)
Other comprehensive expense:							
Exchange differences on translation	–	–	–	–	–	–	–
Total comprehensive income for the year	–	–	–	–	–	(4,354)	(4,354)
Shares issued on acquisition (note 31)	598	–	–	41,301	–	–	41,899
Costs of share issue (note 31)	–	–	–	(1,000)	–	–	(1,000)
Share-based payments							
– LTIP (note 31)	52	4,255	–	–	(5,496)	–	(1,189)
Share premium cancellation (note 31)	–	(32,025)	–	–	–	32,025	–
Shares bought for treasury	–	–	–	–	–	(51)	(51)
Balance at 30 September 2022	1,493	–	653	43,063	–	46,721	91,930

13. CONSOLIDATED AND COMPANY'S STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

	Notes	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Cash flows from operating activities					
Cash (outflow)/inflow from operations	34	(18,317)	16,755	(9,345)	18,025
Cash released in respect of bonds		–	1,104	–	1,104
Corporation tax paid		(31)	–	–	–
Finance costs	14	(10)	(8)	–	(8)
Net cash (outflow)/inflow from operating activities		(18,358)	17,851	(9,345)	19,121
Cash flows from investing activities					
Net cash received from acquisitions	22	42,148	(16,460)	(1,001)	(22,415)
Payments for acquisition of associates	23	(21,871)	–	(21,871)	–
Interest on loan notes held in associate	6	1,977	–	1,977	–
Dividends received from financial assets held at fair value	13	11,459	194	11,459	194
Finance income	13	974	–	–	–
Proceeds from sale of investment at fair value through profit and loss		1,017	–	–	–
Purchase of property, plant and equipment	18	(15)	(8)	–	–
Purchase of intangibles	20	(12)	(1)	–	–
Net cash (outflow)/inflow from investing activities		35,677	(16,275)	(9,436)	(22,221)
Cash flows from financing activities					
Shares issued for cash	31	–	25,013	–	25,013
Costs of share issue	31	(1,000)	(515)	(1,000)	(515)
Payments for shares bought back	31	–	(26,850)	–	(26,850)
Buy-back transaction costs	31	–	(171)	–	(171)
Lease payments		(104)	–	–	–
Loan from group company		–	–	5,000	–
Payments for treasury shares		(51)	–	(51)	–
Net cash (outflow)/inflow from financing activities		(1,155)	(2,523)	3,949	(2,523)
Net change in cash and cash equivalents		16,164	(947)	(14,832)	(5,623)
Cash and cash equivalents at beginning of year		26,902	27,860	22,226	27,860
Exchange differences on translation		–	(11)	–	(11)
Cash and cash equivalents at end of year	27	43,066	26,902	7,394	22,226

14. NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

1. LEGAL STATUS AND ACTIVITIES

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.

These financial statements were authorised for issue by the Board of Directors on 15 February 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 BASIS OF PREPARATION

The financial statements comply with AIM Rules and have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The financial statements are prepared using the historical cost convention modified by revaluation of financial assets and financial liabilities held at fair value through profit and loss. The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 30 September 2022.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

NEW AND AMENDED STANDARDS ADOPTED BY THE COMPANY AND GROUP

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 October 2021:

- Amendments to IFRS 16 “Leases” – Covid-19 related rent concessions

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

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Certain new accounting standards and interpretations have been published that are not mandatory for 30 September 2022 reporting periods and have not been early adopted by the Company or the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

GOING CONCERN

The directors have considered the going concern assumption of the Company and the Group, AssetCo plc, by assessing the operational and funding requirements of the Company and the Group. The directors have prepared financial projections along with sensitivity analyses of reasonably plausible alternative outcomes. The forecasts demonstrate that the directors have a reasonable expectation that the existing Group has adequate financial resources to continue operating for a period of at least 12 months from the date of signing of the financial statements. Therefore the Directors continue to adopt the Going Concern basis of accounting in preparing the consolidated and Company financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

2.2 PRINCIPLES OF CONSOLIDATION AND EQUITY ACCOUNTING

SUBSIDIARIES

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

The acquisition method of accounting is used to account for business combinations by the Group (note 22).

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

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

CHANGES IN OWNERSHIP INTERESTS

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

INVESTMENT IN ASSOCIATED COMPANIES

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting where the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received from associates are recognised as a reduction in the carrying value of the investment. The Company recognises the holding in associates at cost.

The Company and Group recognises interest received on loan instruments held in the investee company as other income. The Group holds loan notes in the corporate owner of its associate, Parmenion. These loan notes carry a coupon of 10% but have no agreed schedules for payment of interest which is recognised on receipt only. There are no repayment dates for the loan notes and the Group carries the loans at amortised cost.

ACCOUNTING POLICY CHOICE FOR NON-CONTROLLING INTERESTS

The Group recognises non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. For the non-controlling interests in Rize ETF Limited, the Group elected to recognise the non-controlling interests at the proportionate basis of the acquired net identifiable assets. See note 2.14 for the Group's accounting policies for business combinations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

2.3 REVENUE RECOGNITION

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

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

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

MANAGEMENT FEES

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

MARKETING FEES

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

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

The Group currently has four segments, Active Equities, Infrastructure Asset Management, Exchange Traded Funds and Digital Platform. Whilst revenue is generated in each of the first three segments, with regard to AuM in the Active Equities and Infrastructure Asset Management segments, the assets are managed by the Group. In Exchange Traded Funds we do not take part in the management as our focus is on providing clients with access to the funds in particular themed sectors. The Digital Platform is operated via an associated company.

2.4 OTHER ITEMS IN THE INCOME STATEMENT

COST OF SALES

Cost of sales in the prior year income statement included those costs directly related to creating and maintaining Exchange Traded Funds which were principally staff costs and marketing costs. In the current year income statement these costs have been included within administrative expenses to align with the classification of similar costs within the Group.

OTHER INCOME

Other income consists primarily of interest on loan notes held in associate but in the prior year also included the proceeds of the Grant Thornton claim.

OTHER LOSSES OR GAINS

The Group includes in this heading those items such as movement on fair value investments.

EXCEPTIONAL ITEMS

Exceptional items are those items which are outside the normal course of business, whether income or cost, which are material by nature or amount and which are not expected to recur.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

2.5 FOREIGN CURRENCY TRANSLATION

a) Functional and presentation currency

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

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

b) Foreign operations translation

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

c) Other transactions and balances

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

2.6 SEGMENT REPORTING

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

2.7 PROPERTY, PLANT AND EQUIPMENT

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

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

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

Leasehold improvements	Remaining life of the lease
Fixtures and fittings	3 – 5 years
Computer equipment	5 years

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

2.8 INTANGIBLE ASSETS

(i) Goodwill

Goodwill is measured as described in note 2.14 Business Combinations. Goodwill arising on acquisition of subsidiaries is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains on the bargain purchase of an entity, where the purchase consideration is less than the fair value of net assets acquired, is taken to the income statement at the time of acquisition. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the legal entity (note 20).

(i) Brands

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

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

(ii) Software

Costs incurred on internally developed computer software are initially recognised at cost, and when the software is available for use, the costs are amortised on a straight-line basis over an estimated useful life of between two and five years. Initial research costs and planning prior to a decision to proceed with development of software are recognised in the Consolidated statement of comprehensive income when incurred on acquisition.

(iii) Customer relationships

Intangible assets are recognised where client relationship contracts are either separately acquired or acquired with investment managers who are employed by the Group. These are initially recognised at cost and are subsequently amortised on a straight-line basis over their estimated useful economic life. Separately acquired client relationship contracts are amortised over 11 years.

(iv) Website development

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

2.9 FINANCIAL INSTRUMENTS

a) Financial assets

Investments and other financial assets

(i) Classification

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

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

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

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

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

(ii) Recognition and de-recognition

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

(iii) Measurement

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

Equity instruments

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

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

Trade receivables

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Cash and cash equivalents

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

b) Financial liabilities

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

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

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

Trade payables

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

2.10 EQUITY

Issued share capital

Ordinary shares are classified as equity.

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

Share premium

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

Purchase of own shares

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

Where the Company purchases the Company's equity instruments for the purpose of holding them as treasury shares then the amount is transferred to retained earnings. Any incidental costs arising on purchase of Treasury shares are recognised in the profit and loss account immediately.

On 28 September 2022 the Company was granted authority by shareholders to purchase up to 10% of the outstanding ordinary shares in the Company. By 30 September 2022 the Company has purchased 72,941 shares with a nominal value of £729 for an aggregate consideration of £50,968.

Merger Reserve

A merger reserve arises when the Company issues equity in respect of acquiring substantially all the equity in another entity. As required by the Companies Act 2006 the excess over the par value of the shares is credited to Merger Reserve rather than Share Premium.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Other Reserves

Other reserves represent the amount of share capital which may become issuable when shares vest under the Company's LTIP (see note 36). This reserve is no longer required now that the LTIP has been discontinued.

2.11 DIVIDENDS

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

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

2.12 EARNINGS PER SHARE

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings per share

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

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

2.13 LEASES

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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

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

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

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

The main leasing activities undertaken by the Company are rental of office buildings in UK.

2.14 BUSINESS COMBINATIONS

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

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

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

Acquisition-related costs are expensed as incurred.

The excess of the:

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

2.15 INCOME TAXES

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty. As mentioned in note 4 Critical accounting estimates the position in respect of the Company's 2021 tax liability is uncertain and could result in a liability up to £2,000,000 or as little as nil.

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

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

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

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current tax assets include £1,159,000 in respect of group relief receivable arising from the disposal of the UK Solutions business by RMG. There is also £14,000 receivable in respect of usage of previous losses.

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

2.16 EMPLOYEE BENEFITS

Long Term Incentive Plan ("LTIP")

The Group operated an LTIP until 5 July 2022 at which date it was cancelled, full details of which are set out in Note 36. Discussions between the Remuneration Committee, shareholders and advisers on a replacement incentive scheme continue.

Pension contributions – defined contribution scheme

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Termination benefits

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

2.17 ACCRUED INCOME

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

2.18 DEFERRED INCOME

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

3. FINANCIAL RISK MANAGEMENT

3.1 FINANCIAL RISK FACTORS

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

a) Credit risk

Credit risk is the risk that a counterparty defaults on their contractual obligations which may result in financial loss to the Group. The carrying amount of financial assets at fair value recorded in the financial statements represents the Group's maximum exposure to credit risk. The Group holds no collateral as security against any financial asset. Credit risk arises principally from the Group's fee receivables, other receivables, loan notes and cash balances. The banks with whom the Group deposits cash and cash equivalent balances are monitored, including their credit ratings. The credit risk is limited as balances are held with reputable banks with credit ratings of triple B and above, as disclosed in note 27.

The Group manages its credit risk through monitoring the aging of receivables and the credit quality of the counterparties with which it does business. The ageing of these is provided in note 25.

The Group has two main types of receivables: revenue related and loan notes in respect of its investment in associate. For revenue receivables, the Group proactively manages the invoicing process to ensure that invoices are sent out on a timely basis and has procedures in place to chase for payment at pre-determined times after the dispatch of the invoice to ensure timely settlement. For receivables due from loan notes in respect of its investment in associate, the Group has rigorous procedures for monitoring its investment which included regular review of monthly management accounts from the associated entity and regular dialogue with that entity's management. There is no schedule of repayment in place. In all cases, detailed escalation procedures are in place to ensure that senior management are aware of any problems at an early stage.

b) Market risk

Pricing risk

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

3. FINANCIAL RISK MANAGEMENT CONTINUED

Currency risk

The Company and Group transacts principally in sterling. The Company's and Group's exposure to currency risk is detailed in note 30.

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

Cash flow interest rate risk

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

The Group's only external borrowing is the lease on its properties where the interest rate is fixed for the life of the agreement so there is no sensitivity to interest rate rises. As regards interest income the Group is able to invest surplus funds and any interest rate increase will be beneficial.

Financial assets

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

Financial liabilities

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

c) Liquidity risk

Prudent liquidity management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group maintains adequate bank balances to fund its operations. See note 30 for analysis of the Group's financial liabilities into relevant maturity groupings based on the remaining period at the year-end date to the contractual maturity date.

3.2 CAPITAL RISK MANAGEMENT

The Group considers its capital to comprise:

	2022 £000	2021 £000
Issued share capital	1,493	843
Share premium account	–	27,770
Capital redemption reserve	653	653
Merger reserve	43,063	2,762
Share-based payments reserve	–	5,496
Retained earnings	42,426	18,892
	87,635	56,416
Non-controlling interest	(1,094)	(279)
Total equity	86,541	56,137
Cash and cash equivalents	(43,066)	(26,902)
	(43,066)	(26,902)
Total capital	43,475	29,235

3. FINANCIAL RISK MANAGEMENT CONTINUED

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

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

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

a) Significant estimates

Valuation of goodwill and other intangible assets

Having considered the guidance under the relevant accounting standards and all aspects of the acquisition of RMG and Revera, the Directors have concluded that these are acquisitions of a business and the assets acquired have been recognised within the Group Consolidated Financial Statements in accordance with IFRS 3. Refer to note 22 Business Combinations.

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. The valuation methodology and key assumptions in respect of the valuation of these intangible assets can be found in Note 22.

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. Note 20 sets out the estimates used and the sensitivity changes in the key assumptions.

Estimation of current tax payable and current tax expense in relation to an uncertain tax position

The Group's corporation tax provision for the prior year 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. 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. 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 extent of the maximum reasonable possible range is from additional tax liabilities of up to £2,000,000 to a reduction in liabilities of up to £1,437,000.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS CONTINUED

b) Significant judgements

Accounting for subsidiaries

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

Recoverability of receivables

Advanced drawings 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 30 September 2022 the Group had £1,208,000 in relation to these amounts on the balance sheet.

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

5. SEGMENTAL REPORTING

The core principle of IFRS 8 ‘Operating segments’ is to require an entity to disclose information that enables users of the financial statements to evaluate the nature and financial effects of the business activities in which the entity engages and the economic environments in which it operates. Segment information is therefore presented in respect of the Group’s commercial competencies, Active equities, Infrastructure asset management, Exchange Traded Funds and its investment in Digital Platforms.

Active equities comprise RMG, Saracen and Revera; Infrastructure Asset Management is the non-equities investment arm of RMG; Exchange Traded Funds is Rize ETF and Digital Platforms represents the Group’s investment in the associated company, Parmenion.

Substantially all revenues are earned in the UK with an amount generated in the US. We have included a table below to show the split. By 30 September 2022 the US business has been sold. There was also a presence in the UAE, which was discontinued before the end of the current financial year. During the 2022 financial year the UAE did not generate any revenue and only incurred administrative costs.

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 and for 2021 includes the UAE business.

The only changes in the presentation of segmental information from the prior year are the inclusion of Infrastructure asset management which arises from the acquisition of RMG in June 2022 and the inclusion of Digital Platform which arises from the acquisition of the 30% stake in the associated entity, Parmenion.

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. The Company is domiciled in the UK.

5. SEGMENTAL REPORTING CONTINUED

ANALYSIS OF REVENUE AND RESULTS BY COMMERCIAL ACTIVITY

Year ended 30 September 2022	Active equities £000	Infrastructure asset management £000	Exchange traded funds £000	Digital Platform £000	Head office £000	Total £000
Revenue						
Management fees	6,372	79	-	-	-	6,451
Marketing fees	-	-	1,724	-	-	1,724
Total revenue to external customers	6,372	79	1,724	-	-	8,175
Segment result						
Operating (loss)/profit	(7,124)	(151)	(2,794)	-	(15,076)	(25,145)
Gain on bargain purchase	-	-	-	-	3,227	3,227
Finance income	974	-	-	-	11,459	12,433
Finance costs	(10)	-	-	-	-	(10)
Share of result of associate	-	-	-	181	-	181
(Loss)/profit before tax	(6,160)	(151)	(2,794)	181	(390)	(9,314)
Income tax	59	-	-	-	-	59
(Loss)/profit for the year	(6,101)	(151)	(2,794)	181	(390)	(9,255)
Segment assets and liabilities						
Total assets	56,826	1,706	19,324	-	24,236	102,092
Total liabilities	(12,157)	(678)	(461)	-	(2,255)	(15,551)
Total net assets	44,669	1,028	18,863	-	21,981	86,541
Other segment information						
Depreciation	9	-	5	-	-	14
Amortisation of intangible assets	187	-	40	-	-	227
Amortisation of right-of-use assets	187	-	-	-	-	187
Total capital expenditure	1	-	26	-	-	27

5. SEGMENTAL REPORTING CONTINUED

Year ended 30 September 2021	Active equities £000	Infrastructure asset management £000	Exchange traded funds £000	Digital Platform £000	Head office £000	Total £000
Revenue						
Management fees	135	–	–	–	–	135
Marketing fees	–	–	273	–	–	273
Total revenue to external customers	135	–	273	–	–	408
Segment result						
Operating profit/(loss)	32	–	(347)	–	14,608	14,293
Finance income	–	–	–	–	1,844	1,844
Finance costs	–	–	–	–	(8)	(8)
Profit/(loss) before tax	32	–	(347)	–	16,444	16,129
Income tax	(6)	–	1	–	(1,437)	(1,442)
Profit/(loss) for the year	26	–	(346)	–	15,007	14,687
Segment assets and liabilities						
Total assets	3,518	–	21,742	–	34,335	59,595
Total liabilities	(85)	–	(471)	–	(2,902)	(3,458)
Total net assets	3,433	–	21,271	–	31,433	56,137
Other segment information						
Depreciation	–	–	2	–	–	2
Amortisation of intangible assets	1	–	7	–	–	8
Total capital expenditure	3	–	5	–	–	8

Geographical analysis of revenues is as follows:

	2022 £000	2021 £000
UK	6,905	408
US	1,270	–
	8,175	408

6. OTHER INCOME

	2022 £000	2021 £000
Interest on loan notes held in associate	1,977	–
Grant Thornton litigation	–	25,918
Less: success fee	–	(3,530)
Total other income	1,977	22,388

Interest on loan notes held in associate

As set out in note 23 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 received £1,977,000 of interest on those loan notes and this is reflected in other income.

Grant Thornton litigation

The case against Grant Thornton was concluded successfully on 2 October 2020. The total award came to £30,515,000 of which £4,597,000 was reflected in the 2020 full year financial statements, as it had been awarded by the Court irrespective of the outcome of any appeal. Other income shown in these financial statements for 2021 represents the balance of the Court's award amounting to £25,918,000, less the success fee of 15% of claim proceeds excluding costs. This item is considered exceptional as it relates to a very specific issue from the history of the Group when it was a very different business and the circumstances which gave rise to the need for litigation are unlikely to occur again.

7. ADMINISTRATIVE EXPENSES AND EXCEPTIONAL ITEMS

Included with administrative expenses are exceptional items as shown below:

	2022 £000	2021 £000
Restructuring costs	3,196	–
Costs of re-admission to AIM	671	360
Exceptional items	3,867	360
Acquisition costs	1,116	219
Share-based payments	3,250	6,273
Other administrative expenses	17,332	1,115
Total administrative expenses	25,565	7,967

RMG sold its UK Solutions business for £230 million on 25 January 2022, a transaction which left RMG a much smaller business with overheads out of step with its reduced size. AssetCo has usually bought businesses where the strategy has mainly involved growth in revenue but in this instance a significant project to right-size the acquired business has been needed following acquisition by AssetCo on 15 June 2022. As part of this process the Group has incurred one-off exceptional restructuring costs including termination payments of £1,140,000 and other charges.

7. ADMINISTRATIVE EXPENSES AND EXCEPTIONAL ITEMS CONTINUED

The Group has in the last two years twice had to apply for re-admission to AIM; once in April 2021 when shareholders were asked to approve the change in strategy to asset and wealth management, and again in June 2022 given the nature and scale of the acquisition of RMG. These significant costs are in relation to those exercises and were required because of the unusual nature of the change in strategy and the relative size of AssetCo compared to the acquisition target. Our strategy is now settled and, with the completion of the acquisition of RMG, AssetCo is at a scale where re-admission in order to complete an acquisition is less likely so the Directors consider that costs such as this are not likely to recur.

8. OTHER GAINS AND LOSSES

	2022 £000	2021 £000
Reduction in fair value of asset held for resale	9,750	–
Gain on disposal of fair value investments	(18)	–
	9,732	–

As referred to in note 22 on 15 June 2022 the Group acquired the entire share capital of RMG. However, the Group had in 2021 bought 5,000,000 shares in RMG representing 5.85% and this investment was carried on the 2021 balance sheet at a fair value of £12,000,000. When calculating the overall consideration for the whole of RMG the Group must assess the fair value of the existing investment at the time of completion of the deal. Given the effect on the RMG share price of normal market pricing and the significant return to shareholders arising from the sale of the RMG Solutions business the fair value was assessed at £2,250,000 leading to a reduction in fair value of £9,750,000.

The Group acquired a small number of seed investments with the acquisition of RMG in June 2022. One of those investments was sold before 30 September 2022 for sale proceeds of £1,017,000 realising a gain on disposal of £18,000.

9. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging the following:

	2022 £000	2021 £000
Depreciation of property plant and equipment (note 18)	14	2
Depreciation of right-of-use assets (note 19)	187	–
Amortisation of intangible assets (note 20)	227	8
Loss on foreign exchange differences	25	89
Fees payable to the Company's auditors:		
– For the audit of the parent Company and the consolidated financial statements	262	132
– audit fees re: subsidiaries	90	–
– audit-related assurance services	10	–
– tax advisory services	86	–
– other non-audit services	471	–
Staff costs (note 11)	15,160	7,014
Expense relating to short-term and low-value leases	66	36

10. DIRECTORS' EMOLUMENTS

Director	Salary and fees		Long term incentive plan		Total	
	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000
Martin Gilbert	138	63	784	1,649	922	1,712
Peter McKellar	110	75	653	1,374	763	1,449
Campbell Fleming	165	–	313	–	478	–
Jonathan Dawson	23	–	–	–	23	–
Tudor Davies	70	70	–	–	70	70
Christopher Mills	39	27	–	–	39	27
Mark Butcher	39	27	–	–	39	27
Aggregate fees and emoluments	584	262	1,750	3,023	2,334	3,285

As referred to in note 36 the LTIP Scheme was discontinued on 5 July 2022 and all shares due under the scheme have been released immediately subject to adjustments for the settlement of PAYE liabilities and subject to lock-in restrictions as set out in the note.

Three directors have received awards under the Company's LTIP during the financial year 2022. The amounts in respect of the LTIP in the table above include the fair value of shares awarded and the national insurance contribution and Pay as you Earn obligations which the Company has paid on behalf of the Participants. The awards have now been fully vested and expensed in the income statement, with a charge of £1,750,000 recognised in 2022 (2021: £3,023,000). As the Scheme has closed no further charges will come through the income statement.

There are no retirement benefits accruing to current directors (2021: none) under a defined benefit or defined contribution scheme. The highest paid director received aggregate emoluments, including awards under the share-based payments charge, of £922,000 (2021: £1,712,000).

11. STAFF COSTS

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

	Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
Active equities	36	1	–	–
Infrastructure asset management	5	–	–	–
Exchange Traded Funds	13	2	–	–
Head office	14	8	14	8
	68	11	14	8

The costs incurred in respect of these employees were:

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Wages and salaries	11,251	660	1,073	450
Social security costs	965	852	171	827
Share-based payments	2,749	5,496	2,749	5,496
Other pension costs	195	6	12	–
	15,160	7,014	4,005	6,773

Wages and salaries include termination payments of £1,140,000 in relation to the acquisition of RMG. These amounts are reflected in the total RMG exceptional restructuring costs set out in Note 7.

Employee benefit obligations

The Group's subsidiaries have defined contribution pension schemes in place. The pension contribution charge in 2022 amounted to £195,000 (2021: £6,000).

12. GAIN ON BARGAIN PURCHASE

	2022 £000	2021 £000
Arising on acquisition of RMG	3,227	–

The calculation of the difference arising on acquisition of River and Mercantile between the purchase consideration and the value of net assets acquired (see note 22) gave rise to a negative amount of goodwill as the value of net assets acquired was larger than the consideration. In accordance with accounting standards the amount of £3,227,000 is treated as a credit to the income statement.

13. FINANCE INCOME

	2022 £000	2021 £000
Dividend income	11,459	194
Gain on foreign exchange	927	–
Fair value gains on financial instruments classified as fair value through profit and loss account	–	1,650
Interest income	47	–
	12,433	1,844

14. FINANCE COSTS

	2022 £000	2021 £000
Lease liability finance charge	(10)	–
Finance costs on bonds and letters of credit	–	(8)
	(10)	(8)

15. GROUP AND COMPANY DIVIDENDS

An interim dividend of 1.3p per share in respect of the financial year to 30 September 2022 was paid in December 2022 and amounted to £1,798,000 (2021: £nil). The dividend was not recognised as a liability at 30 September 2022 as it was not approved and paid until after the period end.

16. INCOME TAX (CREDIT)/EXPENSE

	2022 £000	2021 £000
Current tax		
Current tax on (loss)/profits for the year	(13)	1,437
Total current tax (credit)/expense	(13)	1,437
Deferred tax		
Increase in deferred tax assets (note 32)	16	(307)
Increase in deferred tax liabilities (note 32)	(62)	312
Total deferred tax (credit)/expense	(46)	5
Income tax (credit)/expense	(59)	1,442

16. INCOME TAX (CREDIT)/EXPENSE CONTINUED

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

	2022 £000	2021 £000
(Loss)/profit before tax	(9,314)	16,129
Tax at a standard rate of 19% (2021: 19%)	(1,770)	3,065
Factors affecting tax charge for the year:		
Expenses not deductible for tax purposes	404	805
Income not taxable for tax purposes	(2,868)	(105)
Difference between depreciation and capital allowances	(5)	–
Other short-term timing differences	753	–
Tax losses used	–	(2,394)
Movement in unrecognised deferred tax on losses	3,427	71
	(59)	1,442

A change to the main UK corporation tax rate was included in the Finance Bill 2021, which had its third reading on 24 May 2021, and is now considered substantively enacted. The rate applicable from 1 April 2022 to 31 March 2023 remains at 19% but the rate from 1 April 2023 will increase to 25%. Deferred taxes at the reporting date have been measured using these enacted tax rates and reflected in these financial statements.

17. (LOSS)/EARNINGS PER SHARE**(a) 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 buy-backs (see note 31).

	2022	2021 ¹
(Loss)/profit attributable to owners of the parent – £000	(8,440)	14,796
Weighted average number of ordinary shares in issue before share split as reported – no.	–	8,194,031
Basic earnings per share as reported – pence	–	180.57
Weighted average number of ordinary shares in issue post share split – no.	103,017,624	81,940,310
Basic (loss)/earnings per share restated – pence	(8.19)	18.06

17. (LOSS)/EARNINGS PER SHARE CONTINUED**(b) Diluted**

Diluted earnings per share is calculated by adjusting the weighted average number of Ordinary Shares in issue assuming conversion of all dilutive potential Ordinary Shares. In the prior year the Company had one category of dilutive potential ordinary shares being shares allocated to the LTIP pool. As at 30 September 2022 the LTIP was discontinued therefore there were no dilutive potential ordinary shares

	2022	2021 ¹
(Loss)/profit attributable to owners of the parent – £000	(8,440)	14,796
Weighted average number of ordinary shares including potentially dilutive share in issue before share split as reported – no.	–	9,187,346
Diluted earnings per share as reported – pence	–	161.05
Weighted average number of ordinary shares including potentially dilutive shares in issue post share split – no.	103,017,624	91,873,460
Diluted (loss)/earnings per share – pence	(8.19)	16.10

	2022 No.	2021 ¹ No.
Weighted average number of ordinary shares in issue	103,017,624	81,940,310
Adjustment for:		
– assumed vesting of all ordinary shares in LTIP pool	–	9,933,150
Weighted average number of ordinary shares including potentially dilutive shares	103,017,624	91,873,460

¹ In August 2022 the Company effected a 10 for 1 share split (see Note 31). The prior year share numbers and EPS have been adjusted for this.

18. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold improvements £000	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost				
At 1 October 2020	–	26	–	26
Acquisition of subsidiary	–	8	32	40
Additions	–	–	8	8
At 30 September 2021	–	34	40	74
Acquisition of subsidiary	2	–	13	15
Additions	–	–	15	15
Disposals	–	(26)	–	(26)
At 30 September 2022	2	8	68	78
Accumulated depreciation				
At 1 October 2020	–	26	–	26
Acquisition of subsidiary	–	8	22	30
Charge for the year	–	–	2	2
At 30 September 2021	–	34	24	58
Charge for the year	1	–	13	14
Disposals	–	(26)	–	(26)
At 30 September 2022	1	8	37	46
Net book value at 30 September 2022	1	–	31	32
Net book value at 30 September 2021	–	–	16	16

Company	Fixtures and fittings £000	Total £000
Cost		
At 1 October 2020 and 30 September 2021	26	26
Disposals	(26)	(26)
At 30 September 2022	–	–
Accumulated depreciation		
At 1 October 2020 and 30 September 2021	26	26
Disposals	(26)	(26)
At 30 September 2022	–	–
Net book value at 30 September 2022	–	–
Net book value at 30 September 2021	–	–

Security

As at 30 September 2022 neither the Group nor the Company provided security in respect of property, plant and equipment (2021: £nil).

19. RIGHT OF USE ASSETS AND LEASE LIABILITY

Group	Right of use asset £000
Cost:	
At 1 October 2020 and 30 September 2021	–
Acquisition of subsidiary	411
At 30 September 2022	411
Accumulated depreciation:	
At 1 October 2020 and 30 September 2021	–
Charge for the year	187
At 30 September 2022	187
Net book value at 30 September 2022	224
Net book value at 30 September 2021	–
Group	Lease liability £000
Lease liability:	
At 1 October 2020 and 30 September 2021	–
Acquisition of subsidiary	398
Payments made	(114)
Interest charge	10
At 30 September 2022	294
Of which:	
Current lease liabilities	294
Non-current liabilities	–
At 30 September 2022	294

The Group's leases relating to office accommodation with terms of more than one year are recognised as a right of use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. The weighted average incremental borrowing rate applied to the leases was 4 %.

The Company has no leases.

20. GOODWILL AND INTANGIBLE ASSETS

Group	Goodwill £000	Customer relationships £000	Software £000	Brand £000	Website development £000	Total £000
Cost						
At 1 October 2020	–	–	–	–	–	–
Acquisition of business	19,787	–	–	200	99	20,086
Additions	–	–	–	–	1	1
At 30 September 2021	19,787	–	–	200	100	20,087
Acquisition of business	648	2,400	1,250	450	–	4,748
Additions	–	–	–	–	12	12
At 30 September 2022	20,435	2,400	1,250	650	112	24,847
Accumulated amortisation						
At 1 October 2020	–	–	–	–	–	–
Acquisition of business	–	–	–	–	12	12
Charge for the year	–	–	–	6	2	8
At 30 September 2021	–	–	–	6	14	20
Acquisition of business	–	–	–	–	–	–
Charge for the year	–	64	98	54	11	227
At 30 September 2022	–	64	98	60	25	247
Net book value at 30 September 2022	20,435	2,336	1,152	590	87	24,600
Net book value at 30 September 2021	19,787	–	–	194	86	20,067

Software and website development are internally generated and have finite lives as set out in Note 2.8.

Amortisation of all intangible assets is included in administrative expenses in the income statement.

Goodwill is allocated to the Group's cash-generating units (CGU's) identified according to corporate entity and an analysis is presented below:

	2022 £000	2021 £000
Rize ETF Limited	16,860	16,860
Saracen Fund Managers Limited and Revera Asset Management Limited	3,575	2,927
Total	20,435	19,787

20. GOODWILL AND INTANGIBLE ASSETS CONTINUED

Impairment review

Goodwill is reviewed annually for impairment and its recoverability has been assessed at 30 September 2022 by comparing the carrying amount of the CGUs to their expected recoverable amount, estimated on a value-in-use basis. The value-in-use of each CGU has been calculated using pre-tax discounted cash flow projections based on the most recent budgets and forecasts provided by the relevant subsidiary company board of directors. The most recent budgets prepared are part of the annual planning process for the year ending 30 September 2022 and are then extrapolated over the next four years so that the budgets and forecasts cover a period of five years. Cash flows are then extrapolated beyond the five-year budget and forecast period using an expected long-term growth rate, with the long-term growth rate considered reasonable compared with budget and forecast growth.

As at 30 September 2022 headroom exists in the calculations in respective recoverable amounts of these CGUs over the carrying amounts of the goodwill allocated to them. On this basis the Directors have concluded that there is no impairment required to the goodwill balances as at 30 September 2022.

Rize ETF Limited

The Rize ETF CGU recoverable amount was calculated as £40.4 million as at 30 September 2022 giving a surplus over the Rize ETF carrying value of £23.3 million, indicating there is no impairment. The key underlying assumptions of the calculation are the discount rate, the short-term growth in earnings and the long-term growth rate.

Revenue growth is forecast using planned fund launches, expected net funds flows and the estimated impact of market performance on AuM, multiplied by estimated fee yields. Revenue growth reflects the fact that Rize ETF is at an early stage in its development and revenue is expected to grow quite quickly from a low base, this is represented by revenue growth CAGR of 82% over the assessment period. Expenditure growth reflects historical growth plus management actions to support the launch of new funds as they are developed and are considered reasonable in current market and industry conditions. This is represented by cost growth CAGR of 28% over the assessment period. A pre-tax discount rate of 14.5% has been used (2021: 35%) based on the Group's assessment of the risk-free rate of interest and specific risks relating to Rize ETF As compared to 35% in the prior year that reflects the specific risks arising on the purchase and integration of the business. The 2% long-term growth rate applied is considered prudent in the context of the long-term growth rate for the funds and investment management industry in which the CGU operates.

Sensitivity analysis was performed on the key inputs of the valuation, being the growth in revenue. A reduction in targeted AUM growth rate by 20% each year results in a reduction in the valuation while still retaining a £3.9m (23%) headroom over the current carrying value.

Saracen Fund Managers Limited

Following the year end the businesses of Saracen Fund Managers and Revera Asset Management were combined to provide synergies and enhance growth prospects.

Accordingly the Directors view the CGU as the combined businesses and have approached the review of impairment on the same basis. Based on a value-in-use calculation the amount of the Saracen/Revera CGU as at 30 September 2022 was £5.5 million giving a surplus over the carrying value of £2.1 million, indicating that there is no impairment. The key underlying assumptions of the calculation are the discount rate, the short-term growth in earnings & cost base and the long-term growth rate of the business.

A pre-tax discount rate of 14.5% (2021: 15.3%) has been used based on the Group's assessment of the risk-free rate of interest and specific risks relating to Saracen/Revera.

20. GOODWILL AND INTANGIBLE ASSETS CONTINUED

The key input in forecasting revenue is AuM, which is forecast to grow over the five-year period, based on new business targets, expected net funds flows and estimated impact of market performance. This is represented by revenue growth CAGR of 17% and cost growth CAGR of 5% from 2023, for the remainder of the assessment period. Annual cash flow growth rates over the next five financial years, the period covered by the most recent forecasts, reflect historic actual growth and planned management actions and are considered to be reasonable in the current market and industry conditions.

The 2% long-term growth rate applied is considered prudent in the context of the long-term average growth rate for the funds and investment management industries in which the CGU operates.

Sensitivity analysis was performed on the key inputs of the valuation, being the growth in revenue and cost base. A reduction in planned AUM growth of 75% from 2024 for 4 years, coupled with appropriate and identified cost savings representing an average of 20% of budgeted costs from 2024 onwards, resulted in a reduction in the valuation of the CGU while still retaining a £500,000 (15%) headroom over the current carrying value.

21. INVESTMENTS IN SUBSIDIARIES

Company shares in group undertakings

	2022 £000	2021 £000
At 1 October	25,194	–
Additions in the year	45,249	25,194
Impairment	(522)	–
At 30 September	69,921	25,194

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

The impairment charged in 2022 relates to the acquisition of Revera Asset Management Limited. Following the year end the Revera business was combined into Saracen Fund Managers Limited. The Directors take the view that in these circumstances the carrying value of the investment should be written down to the underlying net asset value of Revera as at 30 September 2022 which has resulted in an impairment charge of £522,000.

21. INVESTMENTS IN SUBSIDIARIES CONTINUED

The subsidiaries of AssetCo plc as at 30 September 2022 are as follows:

Name of Company	Note	Proportion held	Class of shareholding	Nature of business
River and Mercantile Group Limited	1	100%	Ordinary	Investment management
River and Mercantile Holdings Limited	1	100%	Ordinary	Holding company
River and Mercantile Group Services Limited	1	100%	Ordinary	Service company
River and Mercantile Group Trustees Limited	1	100%	Ordinary	Dormant service company
River and Mercantile US Holdings Limited	1	100%	Ordinary	Holding company for the US business
River and Mercantile Asset Management LLP	1	100%	Ordinary	Investment management company
River and Mercantile Infrastructure LLP	1	100%	Ordinary	Investment advisor company
River and Mercantile Infrastructure GP S.a.r.l.	1	100%	Ordinary	General partner company
River and Mercantile Asset Management LLC	4	100%	Ordinary	Dormant service company
Revera Asset Management Limited	2	100%	Ordinary	Investment management
Saracen Fund Managers Limited	2	100%	Ordinary	Investment management
Rize ETF Limited	3	68%	Ordinary	Marketing of thematic exchange traded funds
AAMCO Limited	1	100%	Ordinary	Dormant
AssetCo Asset Management Limited	1	100%	Ordinary	Dormant
AssetCo Asset Managers Limited	1	100%	Ordinary	Dormant
AssetCo Investment Management Limited	1	100%	Ordinary	Dormant

Notes:

1. Incorporated, registered and having their principal places of business in the United Kingdom with their registered offices being 30 Coleman Street, London, EC2R 5AL.
2. Incorporated, registered and having their principal place of business in the United Kingdom with their registered office being 7 Castle Street, Edinburgh EH2 3AH.
3. Incorporated, registered and having its principal place of business in the United Kingdom with its registered office being 2 Glass Wharf, Bristol BS2 0FR
4. Incorporated, registered and having its principal place of business in the USA with its registered office being 1209 Orange Street, Wilmington, Delaware 19801.

All subsidiary undertakings are included in the consolidation of the Group.

22. BUSINESS COMBINATION

22 (a) Summary of acquisitions

On 15 June 2022 AssetCo plc announced the completion of the acquisition of 94.15% of the ordinary shares of River and Mercantile Group plc (“RMG”) that it did not already own. RMG is an active equities fund management Group based in London.

On 5 August 2022 AssetCo plc announced the completion of the acquisition of 100% of the ordinary shares of Revera Asset Management Limited (“Revera”), a fund management company based in Edinburgh.

Details of the purchase consideration are as follows:

	Total £000	RMG £000	Revera £000
Cash paid	1,001	1	1,000
Deferred consideration (see note 26)	100	–	100
Ordinary shares issued	41,899	41,899	–
Shares in RMG purchased for cash in 2021	2,250	2,250	–
Total consideration	45,250	44,150	1,100

The fair value of the 5,985,541 shares issued as consideration paid for RMG (£41,899,000) was based on the published share price on 14 June 2022 of £7 per share. Issue costs attributable to the shares amounted to £1 million and were charged to the merger reserve arising on the issue as allowed by Companies Act 2006.

22. BUSINESS COMBINATION CONTINUED

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

	Total £000	RMG £000	Revera £000
Cash	43,149	42,419	730
Trade and other receivables	9,422	9,356	66
Assets held for resale	7,269	7,269	–
Plant and equipment	15	14	1
Right-of-use assets	411	411	–
Assets held at fair value	1,036	1,036	–
Corporation tax asset	1,159	1,159	–
Deferred tax asset	16	16	–
Trade payables	(16,921)	(16,921)	–
Other payables	(312)	–	(312)
Lease liability	(398)	(398)	–
Corporation tax liability	(33)	–	(33)
Total net assets recognised on acquisition	44,813	44,361	452
Fair value adjustments			
Intangible assets: brand	450	450	–
Intangible assets: software	1,250	1,250	–
Intangible assets: customer relationships	2,400	2,400	–
Deferred tax liability	(1,084)	(1,084)	–
Net identifiable assets/(liabilities) acquired	47,829	47,377	452
Gain on bargain purchase taken to income statement	(3,227)	(3,227)	–
Goodwill	648	–	648
Net assets acquired	45,250	44,150	1,100

The goodwill is attributable to the inherent value of the Revera business and intangible assets that do not qualify for separate recognition.

Acquired receivables

The fair value of acquired trade receivables is £813,000 and no loss allowance has been recognised on acquisition.

Acquired brands

The brands are recognised on acquisition at their fair values at the date of acquisition and subsequently amortised on a straight-line basis, over their estimated useful lives. The estimated useful lives for the Saracen and RMG brands are 10 years and for the Rize ETF brand is 5 years. The valuation methodology adopted by the Group for brands is the “relief-from-royalty” approach. A royalty rate of 0.4% was adopted and applied to forecast cashflows assuming a 10-year life for RMG brands and a weighted average cost of capital of 16%.

22. BUSINESS COMBINATION CONTINUED*Computer Software*

RMG has two internally developed computer programs which have been recognised at fair value at the date of acquisition. They are being amortised on a straight-line basis over their estimated useful lives of between 2 and 5 years. The valuation approach for computer software was replacement-cost. We have estimated the total development costs which would need to be incurred in developing the software from the date of acquisition. This involved estimating the number of developers required for each system, their salary costs and time input. We added estimates for overhead costs to support this development team and then applied a mark-up on total costs of 17.9% to reflect the margin required to incentivise a third-party developer. No opportunity cost was applied.

Customer Relationships

RMG's relationships with Institutional Investors has been recognised at cost which is the fair value at the date of acquisition. Following initial recognition this is carried at cost less any accumulated amortisation and accumulated impairment losses, with the related charge recognised in the consolidated income statement. The amortisation is on a straight-line basis over an estimated useful life of 11 years. The valuation approach applied to Customer Relationships is the Multi-period Excess Earnings Method ("MEEM"). Management developed a cash flow forecast based on expectations for the year from acquisition as tempered by historical analysis of sales and then extrapolated to give revenue growth of 2% in perpetuity. Other assumptions key to establishing the valuation are the attrition rate of clients, estimated at a rate of 8%, and the operating margin of 26.2% for institutional relationships which has been historically achieved. We have assumed a weighted average cost of capital of 17%, which is a 1% premium to the overall WACC in the Group's businesses and this is a reflection of the limited control and marketability of relationship assets.

Intangible asset 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.

Revenue and profit contribution

The acquired businesses contributed revenues of £5,620,000 and operating losses of £7,212,000 from the date of acquisition to 30 September 2022.

22 (b) Purchase consideration – cash outflow

Outflow of cash to acquire subsidiaries, net of cash acquired

	2022 £000	2021 £000
Cash consideration	1,001	17,165
Less: balances acquired	(43,149)	(705)
Net (inflow)/outflow of cash – investing activities	(42,148)	16,460

Acquisition-related costs

Acquisition-related costs of £1,116,000 (2021: £277,000) that were not directly attributable to the issue of shares are included in administrative expenses in the statement of profit or loss.

23. GROUP INTEREST IN ASSOCIATES

	Total £000	Equity £000	Loan notes £000
Purchase of interest in Parmenion	21,871	171	21,700
Share of operating results	181	181	–
Closing balance at 30 September 2022	22,052	352	21,700

On 1 October 2021 AssetCo acquired an effective 30% interest in the equity of Parmenion Capital Partners LLP, via a Guernsey-registered corporate structure. AssetCo is a shareholder in the holding company for this group, Shillay TopCo Limited. Further details on Parmenion are set out in the Business Review.

The tables below provide summarised information of the associate. The information disclosed reflects the amounts presented in the unaudited financial statements of the relevant associate and not the AssetCo plc share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

Unaudited summarised balance sheet

	Shillay TopCo Limited 30 September 2022 £000
Total current assets	36,203
Non-current assets	87,241
Total current liabilities	(17,330)
Total non-current liabilities	(105,219)
Net assets	895

Unaudited summarised statement of comprehensive income

	Shillay TopCo Limited 30 September 2022 £000
Revenue	40,800
Profit for the period	602
Other comprehensive income	–
Total comprehensive income	602

The Company holds the interest in associate at cost value of £21,871,000.

The Group and Company consider that the investment in Parmenion is a level 2 classified financial asset.

24. LONG TERM RECEIVABLES

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Drawings in advance of profits	1,208	–	–	–

In the period, members of a partnership in the Group have received drawings and special drawings in advance of future profits of £1,208,000. As profits are not forecast within the next 12 months the amounts have been treated as long-term receivables.

25. TRADE AND OTHER RECEIVABLES

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Trade receivables	1,441	216	–	–
Other receivables	3,993	144	–	35
Consideration receivable on sale of US and UK Solutions businesses	3,018	–	–	–
Prepayments and accrued income	1,248	247	34	73
	9,700	607	34	108

On 25 January 2022 RMG announced that it had agreed terms on the disposal of its US Solutions business, River and Mercantile LLC. This US business was classified as held for sale on the acquisition of RMG by AssetCo in June 2022. The deal completed on 8 August 2022 for a consideration of £7,269,000. £5,462,000 had been received by 30 September 2022 leaving £1,807,000 outstanding. The sale of the RMG UK Solutions business, announced on 26 October 2021 was completed on 31 January 2022. £1,211,000 of the consideration remained outstanding at 30 September 2022. This is in relation to a Group relief receivable from Schroder International Holdings Limited.

Due to their short-term nature, the carrying value of trade and other receivables approximates to their fair value. Trade and other receivables, including accrued income and the consideration due on the sale of the US Solutions business, held in other currencies amounted to £2,639,000 (2021: £200,000).

The carrying value of trade receivables and accrued income forms part of the Group's overall exposure to credit risk. The Group does not hold any collateral as security.

As of 30 September 2022, trade and other receivables of £nil (2021: £nil) were impaired, and all trade receivables were aged less than 30 days. The amount of the provision was immaterial (2021: immaterial). No trade receivables were written off during the year (2021: £nil).

26. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
UK listed shares	–	12,000	–	12,000
Seeded funds	37	–	–	–
	37	12,000	–	12,000

UK listed shares represents the 5,000,000 shares acquired in 2021 in RMG. The Company has now acquired the entire share capital of RMG which is fully consolidated in the Group's financial statements. The Company was required to record the fair value of this existing stake when calculating the consideration for the purchase of RMG. The remeasurement led to a reduction in fair value of £9,750,000 which has been expensed in Other losses/gains in the income statement.

On acquiring RMG the Group obtained a number of seed investments; RMG uses capital to invest in its own products as seed investments and they are recognised under the existing accounting policy as assets held at fair value through profit and loss. The fair value of the Group's investment in its funds is derived from the fair value of the underlying investments some of which are not traded in an active market and therefore the investment is classified as Level 2 under IFRS 13 Fair Value Measurement.

26 (a) Amounts recognised in profit or loss

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Fair value (losses)/gains on equity investments	(9,750)	1,650	(9,750)	1,650
Dividends received recognised in finance income	11,459	194	11,459	194

26 (b) Risk exposure and fair value measurement

The financial instruments are exposed to equity market price risk. Fair value for the investments were determined by reference to their published price quotation in an active market (classified as level 1 in the fair value hierarchy under IFRS 13). As mentioned in note 26 (a) above the Group has a financial instrument classified at level 2 which is an immaterial investment in a seed fund.

27. CASH AND CASH EQUIVALENTS

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Cash at bank and in hand	43,066	26,902	7,394	22,226
Cash and cash equivalents	43,066	26,902	7,394	22,226
Cash and cash equivalents				
UK sterling	41,270	26,866	7,394	22,190
UAE dirhams	–	36	–	36
US dollars	1,576	–	–	–
Euros	12	–	–	–
Australian dollars	13	–	–	–
New Zealand dollars	195	–	–	–
	43,066	26,902	7,394	22,226

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

28. TRADE AND OTHER PAYABLES

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Trade payables	11,347	300	84	104
Other payables	92	33	2	2
Other taxation and social security	105	62	68	45
Amounts due to Group undertakings	–	–	5,100	–
Deferred consideration	100	–	100	–
Accruals	1,106	1,577	499	1,315
	12,750	1,972	5,853	1,466

Due to their short-term nature, the carrying value of trade and other payables approximates to their fair value. Trade and other payables held in other currencies amounted to £810,000 (2021: £300,000).

Deferred consideration is in respect of the acquisition of Revera Asset Management Limited and is payable by August 2023.

The amount due to Group undertakings recognised in the Company's trade and other payables is due to River and Mercantile Holdings Limited and is for the purpose of providing working capital. It is interest-free, unsecured and repayable on demand.

29. CURRENT TAXATION

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Corporation tax payable	1,437	1,437	1,437	1,437

There is no corporation tax charge arising in the current year so the balance above is in respect of AssetCo plc's prior year charge only. As referred to in note 4 there is some uncertainty around the treatment of certain items in the tax return and the matter remains open.

There is also an amount of £1,173,000 included as income tax receivable in current assets. £1,159,000 of this is an amount of tax receivable in relation to group relief claims related the disposal of the RMG UK Solutions business.

30. FINANCIAL ASSETS AND LIABILITIES

The following tables illustrate the categorisation and carrying value of financial assets and liabilities as at 30 September 2022. Credit risk is also discussed in note 3.1 (a).

Financial assets

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Trade receivables	1,441	216	–	–
Other receivables	6,395	144	–	35
Consideration for US Solutions business	1,807	–	–	–
Cash and cash equivalents	43,066	26,902	7,394	22,226
Financial assets at amortised cost	52,709	27,262	7,394	22,261
Financial assets at fair value through profit and loss	37	12,000	–	12,000
	52,746	39,262	7,394	34,261

Financial liabilities**Liabilities at amortised cost**

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Trade payables	11,346	300	84	104
Other payables	1,299	1,610	501	1,317
Lease liability	294	–	–	–
	12,939	1,910	585	1,421

30. FINANCIAL ASSETS AND LIABILITIES CONTINUED**Maturity analysis of financial liabilities**

The following disclosures show the maturity profile of contractual undiscounted cash flows of financial liabilities as at 30 September 2022:

	Trade payables £000	Other payables and accruals £000	Lease liability and accruals £000	Total £000
2022				
In one year or less	11,346	1,299	294	12,939
2021				
In one year or less	300	1,610	–	1,910

Currency risk

The Company and Group has used a sensitivity technique that measures the estimated change to the fair value of the Group and Company's financial instruments of a 10% strengthening in sterling against all other currencies from the closing rates as at 30 September 2022, with all other variables remaining constant. A 10% variation would have had an impact on the balance sheet of £328,000. Of this charge, £328,000 would be taken to the income statement.

	Financial assets £000	Financial liabilities £000	Net £000
2022			
Sterling	48,311	(12,122)	36,189
US dollar	3,901	(495)	3,406
Euro	142	(44)	98
Australian dollar	13	(237)	(224)
New Zealand dollar	379	–	379
Swiss franc	–	(41)	(41)
	52,746	(12,939)	39,807
2021			
Sterling	39,209	(1,610)	37,599
UAE dirham	53	(300)	(247)
	39,262	(1,910)	37,352

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

31. EQUITY**31 (a) Share capital and share premium**

	2022 Shares	2021 Shares	2022 £000	2021 £000
Ordinary shares of 1p each (2021:10p)				
Fully paid	149,292,970	8,424,847	1,493	28,613

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

(i) Movement in ordinary shares

	Number of shares	Share capital £000	Share premium £000	Total £000
Opening balance at 1 October 2020	12,211,163	1,221	–	1,221
Success fee settled in ordinary shares(i)	854,722	85	3,445	3,530
Share buy-back(ii)	(6,532,942)	(653)	–	(653)
Placing(iii)	1,725,000	173	24,840	25,013
Consideration shares re: Saracen(iv)	166,904	17	–	17
	8,424,847	843	28,285	29,128
Less: transaction costs arising on shares issues	–	–	(515)	(515)
Balance at 30 September 2021	8,424,847	843	27,770	28,613
Consideration shares re: RMG(v)	5,985,541	598	–	598
Shares arising from LTIP(vi)	518,909	52	4,255	4,307
Share premium cancellation(vii)	–	–	(32,025)	(32,025)
	14,929,297	1,493	–	1,493
Effect of 10 for 1 share split(vii)	134,363,673	–	–	–
Balance at 30 September 2022	149,292,970	1,493	–	1,493

Notes:**(i) Success fee**

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

(ii) Share buy-back

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

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

31. EQUITY CONTINUED

(iii) Placing

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

(iv) Consideration re: Saracen Fund Managers

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

(v) Consideration re: River and Mercantile

On 15 June 2022 the Company completed the acquisition of River and Mercantile Group Plc, the consideration for which, amounting to £41,899,000, was wholly settled by the issue of new ordinary shares in AssetCo plc. Under section 612 of the Companies Act 2006 the excess over the par value of these shares is accounted for as a Merger Reserve rather than as share premium.

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

(vi) Shares arising from LTIP

As referred to in Note 36 on 5 July 2022 the Company discontinued its LTIP scheme which resulted in the issue of 518,909 new ordinary shares at a price of £8.30.

(vii) 10 for 1 share split

On 10 August 2022 the Court sanctioned the sub-division of the Company's shares such that one share of 10p became 10 shares of 1p. Accordingly the number of shares in issue at that date was increased by 134,363,673 so that the total number of shares in issue became 149,292,970. There was no change to the nominal value of shares in issue.

On the same date the Court also sanctioned the cancellation of the amount standing to the credit of the Company's share premium account. Accordingly, an amount of £32,025,000 was transferred to distributable reserves.

31. EQUITY CONTINUED**31 (b) Other reserves**

	Capital redemption reserve £000	Merger reserve £000	Other reserve £000	Total £000
Opening balance at 1 October 2020	–	–	–	–
Arising on buy-back of shares	653	–	–	653
Arising on acquisition of Saracen	–	2,762	–	2,762
Share-based payments in relation to LTIP (see note 36)	–	–	5,496	5,496
Balance at 30 September 2021	653	2,762	5,496	8,911
Arising on acquisition of RMG	–	41,301	–	41,301
Costs of RMG acquisition	–	(1,000)	–	(1,000)
Share-based payments in relation to LTIP (see note 36)	–	–	(5,496)	(5,496)
Balance at 30 September 2022	653	43,063	–	43,716

As referred to in note 31 (a) the Company bought back and cancelled 6,532,942 ordinary shares in December 2020. These shares have been credited to the Capital Redemption Reserve in the amount of £653,000.

Also as referred to in note 31 (a) a Merger Reserve arose on the issue of shares to vendors of Saracen Fund Managers Limited rather than share premium.

During the year the Company terminated its Long-Term Incentive Plan (“LTIP”) and any shares due to the participants under the terms of the LTIP have been issued although sale by participants is restricted by certain “lock-in” arrangements.

31 (c) Retained earnings

	2022 £000	2021 £000
Opening balance as at 1 October	18,892	31,124
Net (loss)/profit for period	(8,440)	14,796
Cancellation of share premium	32,025	–
Share buy-back – see (iii) above	–	(26,850)
Costs associated with the buy-back	–	(171)
Shares purchased for Treasury	(51)	–
Exchange movement	–	(7)
Balance as at 30 September	42,426	18,892

32. DEFERRED TAXATION

An analysis of the Group's deferred tax liabilities is shown below:

Deferred tax liabilities

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Deferred tax liabilities to be settled after more than one year	861	40	–	–
Deferred tax liabilities to be settled within one year	209	9	–	–
Total deferred tax liabilities	1,070	49	–	–

The balance comprised temporary differences attributable to:

Deferred tax liability

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Financial assets at fair value through profit and loss	28	313	–	313
Right-of-use assets	45	–	–	–
Intangible assets	997	49	–	–
Deferred tax liability	1,070	362	–	313
Less:				
Set-off of deferred tax liabilities pursuant to set-off provisions	–	(313)	–	(313)
Net deferred tax liability	1,070	49	–	–

Deferred tax movements

Group	Financial assets at fair value through profit and loss £000	Right-of-use assets £000	Intangible assets £000	Total £000
At 1 October 2020	–	–	–	–
Acquisition of subsidiary	–	–	50	50
Credited/(charged) to profit and loss	313	–	(1)	312
Set-off of deferred tax liabilities pursuant to set-off provisions	(313)	–	–	(313)
At 30 September 2021	–	–	49	49
Acquisition of subsidiaries	28	45	1,011	1,084
Credited/(charged) to profit and loss	–	–	(63)	(63)
At 30 September 2022	28	45	997	1,070

32. DEFERRED TAXATION CONTINUED

The balance comprised temporary differences attributable to:

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
Deferred tax assets				
Share-based payments	–	1,044	–	1,044
Less: amounts not recognised	–	(731)	–	(731)
Deferred tax asset	–	313	–	313
Less:				
Set-off of deferred tax liabilities pursuant to set-off provisions	–	(313)	–	(313)
Net deferred tax asset	–	–	–	–

Group	Losses £000	Share-based payments £000	Total £000
At 1 October 2020	–	–	–
Acquisition of subsidiaries (Credited)/charged to profit and loss	6 (6)	– 313	6 307
Set-off of deferred tax liabilities pursuant to set-off provisions	–	(313)	(313)
At 30 September 2021	–	–	–
Acquisition of subsidiaries (Credited)/charged to profit and loss	– (16)	16 (16)	16 (16)
At 30 September 2022	–	–	–

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. Where the temporary differences relate to losses, the availability of the losses to offset against future profitability is also considered. The directors consider that there is no basis on which to recognise deferred tax assets at 30 September 2022 or 30 September 2021. The unrecognised asset in respect of tax losses is set out below.

Tax losses

	2022 £000	2021 £000
Unused tax losses for which no deferred tax benefit has been recognised	36,600	5,118
Potential tax benefit at 25% (2021: 25%)	9,150	1,280

The unused tax losses were incurred by AssetCo plc, Rize ETF Limited, Revera Asset Management Limited and River and Mercantile Group Limited.

32. DEFERRED TAXATION CONTINUED**Unrecognised temporary differences**

	2022 £000	2021 £000
Temporary differences for which no deferred tax benefit has been recognised	–	3,847
Potential tax benefit at 25% (2021: 19%)	–	731

In the prior year there were temporary differences of £731,000 arising as a result of the long-term incentive plan however a deferred tax asset was recognised only to the extent that there are sufficient deferred tax liabilities that can be offset by the deferred tax asset. As the long-term incentive plan has been discontinued no such temporary timing differences arise in the current year.

33. FUTURE CAPITAL COMMITMENTS

There were no capital commitments contracted for but not provided in these financial statements at 30 September 2022 (2021: £nil).

34. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAX TO NET CASH INFLOW FROM OPERATIONS

	Group 2022 £000	Group 2021 £000	Company 2022 £000	Company 2021 £000
(Loss)/profit for the year before taxation	(9,314)	16,129	(4,355)	16,444
Share-based payments				
– in respect of LTIP	2,749	5,496	2,749	5,496
– Success fee	–	3,530	–	3,530
Cash effect of LTIP	(3,938)	–	(3,938)	–
Share of profits of associate	(181)	–	–	–
Interest received from associate	(1,977)	–	(1,977)	–
Increase in investments	–	(12,000)	–	(12,000)
Reduction in fair value of investments	9,750	–	9,750	–
Gain on disposal of fair value investments	(18)	–	–	–
Impairment of investments	–	–	522	–
Proceeds of asset held for resale	5,462	–	–	–
Bargain purchase	(3,227)	–	–	–
Depreciation	14	2	–	–
Amortisation of intangible assets	227	8	–	–
Amortisation of right-of-use assets	187	–	–	–
Finance costs (note 14)	10	8	–	8
Finance income (note 13)	(974)	–	–	–
Dividends from investment held at fair value	(11,459)	(194)	(11,459)	(194)
Decrease in receivables	928	4,367	75	4,578
(Decrease)/increase in payables	(6,556)	(591)	(712)	163
Cash (outflow)/inflow from operations	(18,317)	16,755	(9,345)	18,025

35. RELATED PARTY TRANSACTIONS

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

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

Key management compensation

	2022 £000	2021 £000
Salaries, fees and other employee benefits	584	262
Share-based payments	1,750	3,023
	2,334	3,285

Key management includes the directors of the Company only.

Further details on directors' emoluments can be found in note 10.

On 15 June 2022 AssetCo completed the acquisition of River and Mercantile Group Plc. At the time of completion the AssetCo chairman, Martin Gilbert, was also a director and shareholder in RMG. Also upon completion the chairman of RMG, Jonathan Dawson, became a non-executive director of AssetCo.

Toscafund Asset Management LLP was a substantial shareholder for part of the year and had an agreement with AssetCo plc under which the LLP acted as Appointed Representative for regulatory purposes. This agreement was terminated on 15 June 2022. Toscafund charged a monthly fee for this service and the amount recognised in these financial statements is £42,500 (2021: £30,000). Toscafund's shareholding at 30 September 2022 is below 3%.

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

36. LONG TERM INCENTIVE PLAN CANCELLATION

On 29 September 2021 the Company announced that the Remuneration Committee was conducting an ongoing review of the quantum, terms and form of the LTIP in respect of periods beyond the first performance period (being the period from 8 January 2021 to 30 September 2021) (the "First Performance Period").

After concluding its review and after consultation with advisers and Shareholders, the Remuneration Committee recommended, and the Board was in agreement, that the LTIP would be cancelled in respect of periods beyond the First Performance Period. The Company will take time to consult with its advisers and Shareholders in terms of appropriate schemes/arrangements to replace the LTIP and will make an announcement in due course.

The number of ordinary shares of 10p each in the Company ("Ordinary Shares"), the subject of awards granted to participants under the LTIP ("Participants") in respect of the First Performance Period was determined to be 993,315 Ordinary Shares being released over a five year deferral period subject to the terms of the LTIP (the "Deferral Period"). As a consequence of the cancellation of the LTIP, the Remuneration Committee has accelerated the release to Participants of the Ordinary Shares which were due to be released to them over the Deferral Period subject to the lock-in arrangements detailed below. Further, the Remuneration Committee has determined that the Participants' entitlements will be settled net of their National Insurance Contributions and Pay as you Earn obligations which will be paid by the Company, on behalf of the Participants, with a commensurate reduction in the number of Deferred Ordinary Shares issued to Participants. The value of the Deferred Ordinary Shares was determined at £8.30, the closing share price subsequent to 5 July 2022, the effective date of cancellation of the LTIP. As a result, the net total of Deferred Ordinary Shares issued to Participants on 5 July 2022 was 518,909 Ordinary Shares. This represents a significant reduction in the dilution to Shareholders which would have resulted in the event that the total of 993,315 Ordinary Shares had been issued to Participants.

36. LONG TERM INCENTIVE PLAN CANCELLATION CONTINUED

The details of how the shares issuable under the LTIP were settled are set out below:

	Shares No	2022 £000
Shares issued on 5 July 2022 at £8.30 each	518,909	4,307
Shares “retained” to fund cash payment of employees’ PAYE and NI liability	474,406	3,938
Shares issuable under the LTIP	993,315	8,245

The details of the charges reflected in the income statement over the life of the LTIP until cancellation in the current year are set out below:

	Total £000	2022 £000	2021 £000
Shares issuable under LTIP	8,245	2,749	5,496
Employers’ national insurance	1,278	501	777
Total share-based payment charge	9,523	3,250	6,273

Of the 518,909 shares issued on 5 July 2022 under the LTIP the following were issued to Directors:

	Shares No	2022 £000	2021 £000
Martin Gilbert	160,920	784	1,649
Peter McKellar	126,029	653	1,374
Campbell Fleming	61,685	313	–
	348,634	1,750	3,023

The Participants have entered into lock-in arrangements with the Company whereby they are restricted from disposing of Deferred Ordinary Shares for the period up to 30 September 2026.

37. POST BALANCE SHEET EVENTS

On 1 November 2022 AssetCo completed the acquisition of SVM Asset Management Limited for an aggregate consideration of £11.2 million satisfied by the issue of £9 million nominal of 1% fixed rate unsecured convertible loan notes 2023 in AssetCo plus £2.2 million in cash.

The loan notes may be converted into fully paid ordinary shares of 1p each in the Company in certain circumstances. Up to £2 million in nominal value may be converted on or before 28 February 2023 at the market price at the time of conversion. Thereafter conversion will be at an effective price of £1.45 per ordinary share. Unless converted the loan notes will be repaid on 31 December 2023. At the date of signing of the financial statements none of the loan notes had been converted to shares.

This acquisition will be reflected in our 2023 results by which time the initial acquisition accounting will have been completed.

On 20 October 2022 a subsidiary of AssetCo, River and Mercantile Group Limited, completed the renewal of lease agreements for one and three years on the property at 30 Coleman Street, London which is the registered office of AssetCo and from which all non-Edinburgh based group companies operate. In its results for the subsequent period the Group will recognise a right of use asset and lease liability for the new lease agreement.

The contractual maturities on the undiscounted minimum lease payments under the new lease liability amount to £323,000 due within one year and £1,122,000 due between one and three years, giving a total commitment of £1,445,000.

On 24 November 2022 the Company announced that it would pay an interim dividend of 1.3p per share, amounting to £1,798,000, on 23 December 2022.

There are no other post balance sheet events.

15. NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of AssetCo plc (the “**Company**”) will be held at 30 Coleman Street, London EC2R 5AL at 10 a.m. on Thursday 30 March 2023. The Annual General Meeting is being held to consider and vote on the Resolutions below. Resolutions 1 to 11 will be proposed as ordinary resolutions and Resolutions 12, 13 and 14 will be proposed as special resolutions. Voting on all Resolutions will be conducted by way of a show of hands.

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

ORDINARY RESOLUTIONS

1. To receive the Company’s audited accounts for the 12 month period ended 30 September 2022, together with the Directors’ report, the strategic report and the auditor’s report on those accounts.
2. To re-elect Martin Gilbert as a Director of the Company.
3. To re-elect Peter McKellar as a Director of the Company.
4. To re-elect Campbell Fleming as a Director of the Company.
5. To re-elect Tudor Davies as a Director of the Company.
6. To re-elect Christopher Mills as a Director of the Company.
7. To elect Jonathan Dawson as a Director of the Company.
8. To elect Gary Marshall as a Director of the Company.
9. THAT PricewaterhouseCoopers LLP be re-appointed as auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at which the accounts are laid before the Company.
10. THAT the remuneration of PricewaterhouseCoopers LLP as auditors of the Company be determined by the Directors of the Company.

11. THAT the Directors of the Company be and are hereby generally and unconditionally authorised for the purposes of section 551 of the Companies Act 2006 (“**Act**”) to allot ordinary shares in the Company or to grant rights to subscribe for or to convert any security into ordinary shares in the Company (“**Rights**”) up to an aggregate nominal amount of £690,494 such authority to expire (unless sooner revoked or altered by the Company in general meeting) at the conclusion of the next Annual General Meeting of the Company and provided further that the Company may before the expiry of this authority make an offer or agreement which would nor might require ordinary shares to be allotted or Rights to be granted after the expiry of this authority and the Directors may allot ordinary shares or grant rights in pursuance of any such offer or agreement as if the authority conferred hereby had not expired.

SPECIAL RESOLUTIONS

12. THAT subject to Resolution 11 above being passed, the Directors of the Company be and they are empowered pursuant to section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) wholly for cash pursuant to the authority conferred by Resolution 11 as if subsection (1) of section 561 of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:
 - (a) in connection with an offer of such securities by way of rights to holders of ordinary shares in the Company in proportion (as nearly as may be practicable) to their respective holdings of such ordinary shares, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange; and
 - (b) otherwise than pursuant to sub-paragraph (a) above up to an aggregate nominal amount of £690,494,

and shall expire at the conclusion of the next Annual General Meeting of the Company in 2024, and provided further that the Company may before the expiry of this authority make an offer or agreement which would or might require relevant securities to be allotted after the expiry of this authority and the Directors of the Company may allot equity securities in pursuance of any such offer or agreement as if the authority conferred hereby had not expired.

13. THAT the Company be and is generally and unconditionally authorised for the purposes of section 701 of the Act to make one or more market purchases (within the meaning of section 693(4) of the Act) on the AIM market of the London Stock Exchange of its ordinary shares provided that:
- (a) the maximum aggregate number of ordinary shares authorised to be purchased is 13,809,873;
 - (b) the minimum price which may be paid for such ordinary shares is £0.01 per ordinary share;
 - (c) the maximum price which may be paid for an ordinary share shall not be more, at the time of purchase, than the amount equal to 105 per cent. of the average of the middle market quotations for an ordinary share as derived from the London Stock Exchange for the five business days immediately preceding the date on which the ordinary share is purchased;
 - (d) unless previously renewed, varied or revoked, the authority conferred shall expire at the conclusion of the next Annual General Meeting of the Company in 2024 or fifteen months after the passing of this Resolution whichever is the earlier; and

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

14. THAT a general meeting of the Company (other than an AGM) may be called on not less than 14 clear days' notice.

2 March 2023

By order of the Board

Gordon Brough
Company Secretary

Registered Office:
30 Coleman Street
London
EC2R 5AL

Registered in England and Wales No. 04966347

NOTES:**ENTITLEMENT TO ATTEND AND VOTE**

1. A shareholder who is entitled to attend and vote at the meeting is entitled to appoint one or more proxies to exercise all or any of his rights to attend, speak and vote on his/her behalf. Such a proxy need not also be a shareholder of the Company, but must attend the meeting in person for the shareholder's vote to be counted. If a shareholder appoints more than one proxy to attend the meeting, each proxy must be appointed to exercise the rights attached to a different share or shares held by the shareholder.
2. Only those members registered on the Company's register of members at:
 - (a) 6.30 p.m. on 28 March 2023; or
 - (b) if the AGM is adjourned, at 6.30 p.m. on the day two days prior to the adjourned meeting,
 shall be entitled to vote at the AGM. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to vote at the AGM.

WEBSITE GIVING INFORMATION REGARDING THE AGM

3. Information regarding the AGM, including a copy of this Notice and the information required by section 311A of the Companies Act 2006, can be found at the Company's website, www.assetco.com.

APPOINTMENT OF PROXIES

4. If you are a member of the Company at the time set out in Note 3 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the AGM and you should have received a form of proxy with this Notice. You can only appoint a proxy using the procedures set out in these Notes and the notes to the form of proxy.
5. A proxy does not need to be a member of the Company but must attend the AGM to represent you. Details of how to appoint a proxy using the form of proxy are set out in the notes to the form of proxy.
6. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy using a hard copy proxy form, please contact the Company's registrars, Computershare Investor Services PLC,

on 0370 889 3198, to request additional forms of proxy.

7. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the Resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the AGM.

APPOINTMENT OF PROXY USING HARD COPY PROXY FORM

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

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

- completed and signed;
- sent or delivered to Computershare Investor Services PLC at The Pavilions, Bridgewater Road, Bristol, BS99 6ZY; and
- received by Computershare Investor Services PLC no later than 10.00 a.m. on 28 March 2023.

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

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

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

APPOINTMENT OF PROXIES THROUGH CREST

9. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the AGM and any adjournment(s) of it by using the procedures described in the CREST Manual (available from <https://www.euroclear.com>). CREST personal members or other CREST sponsored members, and those CREST members who have appointed.

(a) voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s (“**EUI**”) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer’s agent (ID number 3RA50) by 10.00 a.m. on 28 March 2023 or, in the event of an adjournment of the AGM, 48 hours before the adjourned AGM. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

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

ELECTRONIC PROXY APPOINTMENT SYSTEM

12. You may appoint your proxy electronically. To use this facility, please visit www.investorcentre.co.uk/eproxy using the control number and PIN located on your form of proxy, where details of the procedure are shown. The appointment of a proxy electronically will not be valid if it is received later than 48 hours before the start of the meeting (or adjourned meeting) or if it is sent to any other electronic address. Please note, that the appointment of multiple proxies cannot be completed via the eproxy platform. Should you wish to appoint more than one proxy, please do so by returning a hard copy proxy for each appointment and submit to Computershare as explained in Note 8.

APPOINTMENT OF PROXY BY JOINT MEMBERS

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

CHANGING PROXY INSTRUCTIONS

14. To change your proxy instructions, simply submit a new proxy appointment using the methods set out above. This can be done at any time provided it is received by Computershare Investor Services PLC prior to 10.00 a.m. on 28 March 2023, the start of the AGM, however, acceptance of any change to your proxy instructions received by Computershare Investor Services PLC after 10.00 a.m. on 28 March 2023, being the time that the proxy vote closes, will be at the sole discretion of the Board.

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

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

TERMINATION OF PROXY APPOINTMENTS

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

Such revocation notice must be received by Computershare Investor Services PLC no later than 10.00 a.m. on 28 March 2023.

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

CORPORATE REPRESENTATIVES

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

ISSUED ORDINARY SHARES AND TOTAL VOTING RIGHTS

17. As at 1 March 2023 (being the last business day prior to the publication of this Notice), the Company's issued ordinary share capital comprised 149,292,970 ordinary shares of 1p each. The Company holds 11,194,235 ordinary shares in treasury which attract no voting rights. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 1 March 2023 is 138,098,735.

VOTING

18. Voting on all Resolutions will be conducted by way of a show of hands.

COMMUNICATION

19. Except as provided above, members who have general queries about the AGM should use the following means of communication (no other methods of communication will be accepted):-

- (a) e-mailing our investor relations team at info@assetco.com; or
- (b) calling the dedicated AssetCo plc shareholder information line at Computershare on 0370 889 3198.

You may not use any electronic address provided either:

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

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

QUESTIONS AT THE AGM

20. Any member has the right to ask questions of the Company. The Company must answer any question you ask relating to the business being dealt with at the AGM unless:

- (a) answering the question would interfere unduly with the preparation for the AGM or involve the disclosure of confidential information; or
- (b) the answer has already been given on a website in the form of an answer to a question; or
- (c) it is undesirable in the interest of the Company or the good order of the AGM that the question be answered.

THE RESOLUTIONS EXPLAINED

21. The following Notes explain the proposed Resolutions:

- (a) Resolution 1. The Company is required to present the accounts together with the Directors report and the auditor's report to the AGM for approval.
- (b) Resolutions 2 to 8. In accordance with the Articles of Association of the Company and in accordance with best corporate governance practice all the Directors are standing for re-election.
- (c) Resolutions 9 and 10. The auditors must be re-appointed at each meeting at which the accounts are laid, to hold office until the conclusion of the next such meeting. Resolution 10 gives authority to the Directors in accordance with standard practice to determine the auditor's remuneration.

- (d) Resolution 11. The Directors may only allot ordinary shares or grant rights to subscribe for, or convert any security into ordinary shares, if authorised to do so by shareholders. The existing authority to allot ordinary shares conferred on the Directors at last year's Annual General Meeting under section 551 of the Act expires on the date of the AGM.

Resolution 11 seeks to renew the existing authority under section 551 of the Act which would otherwise expire at the AGM, to give the Board authority to allot ordinary shares and to grant rights to subscribe for or convert any security into ordinary shares up to an aggregate maximum nominal amount of £690,494 representing 69,049,367 ordinary shares of 1 pence each, which represents approximately 50 per cent. of the issued ordinary share capital of the Company (excluding treasury shares) as at 1 March 2023 being the latest practicable date prior to the date of this Notice).

The authority granted by this Resolution will expire at the conclusion of the next Annual General Meeting of the Company. As at 1 March 2023 being the latest practicable date prior to publication of this Notice, 11,194,235 ordinary shares are held by the Company in treasury. The Company is proposing this Resolution to give the Directors flexibility to allot ordinary shares and to grant rights to subscribe for or convert any security into ordinary shares.

- (e) Resolution 12. Under section 561(1) of the Act, if the Directors wish to allot ordinary shares, or grant rights to subscribe for, or convert securities into ordinary shares, or sell treasury shares for cash (other than pursuant to an employee share scheme) they must in the first instance offer them to existing shareholders in proportion to their holdings. There may be occasions, however, when the Directors need the flexibility to finance business opportunities by the issue of new ordinary shares, for cash, without a pre-emptive offer to existing shareholders. This cannot be done under the Act unless shareholders have first waived their pre-emption rights. This Resolution 12 seeks to review the authority given to the Board which would otherwise expire at the forthcoming AGM, to allot equity securities for cash on a non-pre-emptive basis, (a) pursuant to a rights issue, or (b) up to an aggregate nominal amount of £690,494 representing 69,049,367 ordinary shares of 1 pence each (which represents approximately 50 per cent. of the issued ordinary share capital of the Company (excluding treasury shares) as at 1 March 2023, being the latest practicable date prior to the publication of this Notice). The authority granted by this Resolution will expire at the earlier of the conclusion of the next Annual General Meeting of the Company.
- (f) Resolution 13. This Resolution will give the Company the ability to purchase its own ordinary shares up to a specified amount. The authority will be limited to market purchases of up to 13,809,873 ordinary shares, being 10 per cent. of the issued ordinary share capital (excluding treasury shares) as at 1 March 2023, being the latest practicable date prior to the publication of this Notice.
- This Resolution sets out the minimum and maximum prices that the Company can pay for the ordinary shares. The authority will be kept under review and the Company will only exercise the power to purchase after careful consideration and when the Company is satisfied that to do so is in the best interests of the Company and its shareholders under the circumstances. The authority granted by this Resolution will expire at the earlier of the conclusion of the next Annual General Meeting of the Company or fifteen months after the passing of the Resolution, whichever is the earlier. Any ordinary shares purchased would be either held as treasury shares or cancelled at the discretion of the Directors.
- (g) Resolution 14 enables the Company to call general meetings other than an AGM on at least 14 clear days' notice. The approval will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed. Changes made to the Act by the Companies (Shareholders' Rights) Regulations 2009 increase the notice period required for general meetings of the Company to at least 21 clear days unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days (AGMs will continue to be held on at least 21 clear days' notice).

16. GLOSSARY

AGM	Annual General Meeting
Board	The board of directors of the Company
CEO	Chief Executive Officer
Company	AssetCo plc
Covid	Coronavirus
Director	A director of the Company
ETF	Exchange Traded Fund
Group	AssetCo plc and its subsidiaries
Revera or Revera Asset Management	Revera Asset Management Limited
River and Mercantile or River and Mercantile Group or RMG	River and Mercantile Group Limited and its subsidiaries
Rize	Rize ETF Limited
Saracen	Saracen Fund Managers Limited
SVM or SVM Asset Management	SVM Asset Management Limited or its holding company SVM Asset Management Holdings Limited

17. COMPANY INFORMATION

COMPANY REGISTRATION NUMBER

04966347

REGISTERED OFFICE

30 Coleman Street
London
EC2R 5AL

DIRECTORS

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

COMPANY SECRETARY

Gordon Brough

INDEPENDENT AUDITOR

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

NOMINATED ADVISER AND CORPORATE BROKER

Numis Securities Limited
45 Gresham Street
London
EC2V 7BF

JOINT CORPORATE BROKER

Panmure Gordon (UK) Limited
One New Change
London
EC4M 9AF

REGISTRAR

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PO Box 82
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