18 February 2022 **Immediate Release**

AssetCo plc

("AssetCo" or the "Company")

Preliminary results for the year ended 30 September 2021

Key highlights

- New strategy adopted focused on building and operating an asset and wealth management business – from zero to £9.6 billion in Assets under Management
- Equity stakes in four businesses – River and Mercantile, Saracen Fund Managers, Rize ETF and Parmenion
- Improving the capital position from £32.3 million to £56.1 million plus tender offer returns £27 million to shareholders
- Profit before taxation of £16.1 million (2020: £3.4 million)
- During the 12-month period share price more than quadrupled to close at £17.00 per share (2020: £4.11 per share)

Campbell Fleming, Chief Executive Officer of AssetCo plc, commented:

"I am immensely proud of the progress AssetCo has made over the past year. Thanks to the hard work of our Chairman and Deputy Chairman, Martin Gilbert and Peter McKellar, and the rest of the team, AssetCo has been transformed into an agile asset and wealth management business, not burdened by legacy issues, constraints or complexities.

"The asset and wealth management industry is going through a period of significant change including technological advances, evolving investor needs and habits. To address these structural shifts the businesses we have invested in encompass four key areas – active management in both public and private markets, high growth thematic investing, ESG and digital solutions. Saracen Fund Managers, Rize ETF and Parmenion are well placed to take advantage of the changing landscape to meet client needs.

The potential acquisition of River and Mercantile, subject to shareholder and regulatory approval, will augment our strategy and will become a core part of our equity platform and the cornerstone of our private markets offering as well as increasing our AuM to over £12 billion.

"I am confident that AssetCo has established the foundations to continue to grow organically and through selective acquisitions and most importantly to deliver for investors."

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For further details, visit the website, www.assetco.com
Ticker: AIM: ASTO.L
Market cap: £127 million

CHAIRMAN'S STATEMENT

A Year of Transformation

The twelve-month period ended 30 September 2021 was a transformational year for AssetCo. The Company returned nearly £27 million to investors through a tender offer, it adopted a new strategy focused on building and operating an asset and wealth management business, and agreed to acquire equity stakes in four firms.

On 2 October 2020 there was a successful conclusion to the Grant Thornton litigation case. Grant Thornton informed the Company of its decision not to appeal to the Supreme Court, thereby crystallising the award from the Court of Appeal ruling on 31 January 2019 amounting to £30.5 million, including costs. This formed the basis of returning £26.9 million to shareholders, by way of a tender offer which was fully subscribed. The Company purchased 6.53 million shares, equivalent to 50% of its then issued share capital, at £4.11 per share.

In January 2021, the Company welcomed an investor group consisting of funds managed by Toscafund Asset Management, Peter McKellar, various associates and me who, in aggregate, acquired a 29.8% shareholding from existing shareholders at £4.75 per share. Peter and I joined the Board as non-executive directors on 25 January 2021.

We both have extensive experience of the asset and wealth management industry. The industry is contending with significant structural shifts, including technological advances, a reorientation of investment habits and evolving client needs that will have a profound impact on the business models of many existing asset management and wealth providers, their offerings and the choices available to clients and savers. Following readmission to AIM and approval by shareholders in April 2021 to change the business strategy, the Company is committed to creating and managing an asset and wealth management business that is fit for purpose in the 21st century.

At the same time as the change in strategy, I was appointed Chairman of AssetCo. I would like to pay tribute to my predecessor, Tudor Davies, for guiding the Company over the last 10 years. He played a crucial role in AssetCo's development and its transition to an asset and wealth management business.

Progress to Date

In January and February 2021, the Company acquired 5 million shares in River and Mercantile Group PLC, an asset management business, at a total cost of £10.4 million. We believed that River and Mercantile was significantly undervalued, where the value of its two operating businesses was not properly recognised and that the businesses were worth more on a stand-alone basis. This belief has been borne out by the completed sale of its Solutions business for significantly more than the total market capitalisation of River and Mercantile when we invested.

In May 2021, the Company announced the acquisition of Saracen Fund Managers for £3.44 million. Saracen is an active manager of listed equity portfolios, an approach we believe will reward investors over the years to come, as markets become increasingly volatile and investors seek targeted strategies. Our aim is to build on Saracen's strong foundations by broadening the investor base of its existing funds – Global Income and Growth, UK Alpha and UK Income (total Assets under Management (AuM) £113.2 million) - and by expanding its product range over time. We have already strengthened the investment team with the recruitment of another fund manager. In addition, we are looking to build our listed equities capabilities through further acquisitions.

In July 2021, the Company completed the acquisition of a 68% majority equity interest (of which 5% is subject to certain near-term performance conditions) in Rize ETF for £16.5 million and announced the acquisition of a 30% equity stake in Parmenion for a total consideration of up to £27.8 million. The acquisition of the stake in Parmenion completed on 1 October 2021.

Rize ETF is a provider of thematic investment strategies via Exchange Traded Funds (ETFs). Thematic ETFs allow investors to invest in opportunities outside of traditional sectors. According to Morningstar Research, total thematic Assets under Management globally grew to $595 billion as of March 2021, from $174 billion three years earlier, with Europe representing over half of the AuM.

There is enormous growth potential in the area of thematic ETF investing. Through a combination of AssetCo's support, and the Rize team's expertise and product innovation, we believe we can significantly grow the business. Currently Rize offers six thematic strategies with combined AuM of $514.1 million, with approximately $459.0 million of net inflows being achieved in 2021.

Rize's success and potential were recognised through a number of prestigious awards that the team won during the year. Rize was named Best New Entrant at the ETF Express European Awards. The Rize Sustainable Future of Food ETF was named the most innovative sustainable and ESG ETF launch by Investment Week and the most innovative ETF of the year at the ETF Stream Awards. Rize also won the Best ESG Investment Fund (thematic) category at the ESG Investing Awards.

Parmenion is a B2B fund investment and advisory platform for the UK wealth and IFA sector, partnering with over 1,500 adviser firms helping them to deliver investment solutions to over 80,000 underlying customers. The business is benefiting from the digital transformation taking place within the asset and wealth management industry.

Parmenion has positioned itself as an enabler to the wealth management industry, with its proprietary technology platform enabling it to retain control of customer propositions and hence continue to address the evolving needs of its clients. This client focused approach, coupled with strong service, has driven the growth of Parmenion's AuM significantly ahead of the overall platform market.

Parmenion has been consistently ranked by financial advisers as number one for platforms with AuM of less than £20 billion, and second for all platforms. During the year, Parmenion won the Best Overall Service to Paraplanners category at the Professional Paraplanner Awards and was named best platform for advisers (Assets under Administration below £25 billion) at the Professional Adviser awards. Currently, Parmenion has AuM of £9.3 billion and, in response to client demand, is looking to broaden the range of investment solutions it hosts on its platform.

In part, the investments in Rize ETF and Parmenion were financed by a successful £25 million equity fund raising at £14.50 per share in July 2021 that attracted interest from both existing and new shareholders. We would like to thank shareholders for their support. We also note and welcome the increasing interest from analysts and investors generally in the Company and its strategy.

Financials

It is pleasing to report that the Company made a profit before taxation of £16.1 million during the twelve months ended 30 September 2021 (2020: £3.4 million). The sizeable year-on-year increase is largely due to the successful conclusion of the litigation case against Grant Thornton. During the twelve-month period the share price more than quadrupled to close at £17.00 per share (30 September 2020: £4.11 per share).

New Team

To lead the Company on its journey as an asset and wealth management business, in September 2021 we announced the appointment of Campbell Fleming as Chief Executive Officer from 2 October 2021. His experience and expertise within the industry, together with his leadership qualities, means he is well placed to build on AssetCo's strong foundations. He succeeds Peter McKellar, who due to his other commitments agreed to be interim CEO until a long-term candidate was identified. The Board and I are immensely grateful to Peter for all his hard work and are delighted that he will remain on the Board as Deputy Chairman, continuing to be involved in the Company's strategy and development.

Campbell is supported by a small team of distribution and communication professionals – Gary Collins, Lucy Draper and James Thorneley - who all joined the Company in 2021. The Board and I appreciate their hard work and efforts in building a new business. They have also begun raising the profile of the Company with clients and partners around the world and with the media. These interactions are showing early promise as people are interested to learn more about our strategy, plans and capabilities.

Finally, the Board and I would like to thank the teams in our underlying businesses for their continued hard work. We are also grateful for the continued support of customers, clients and shareholders who believe in the products and services we offer and our focus on delivering for investors over the long-term.

Outlook

Following the end of AssetCo's financial year, the Company announced a possible offer to acquire River and Mercantile Group PLC, further to the announcement of a sale of River and Mercantile Solutions division to Schroders PLC. The acquisition of River and Mercantile's remaining business is a core part of the Company's strategy; it strengthens our active equity capability and importantly provides a foundation stone to building a private markets business given its infrastructure investment team. It will complement our existing presence in thematic investing with Rize ETF and our investment in Parmenion, a digital platform for the financial planning sector.

The Company is being transformed and has successfully put in place some of the building blocks required for it to become a 21st century asset and wealth management business that delivers for investors and makes a difference. We will look to develop these businesses and explore other opportunities.

Martin Gilbert, Chairman

18 February 2022

BUSINESS REVIEW

Our mission is to build a 21st century asset and wealth management business that will deliver returns for investors and shareholders. The work to achieve this began in 2021, as we reviewed the broader market for businesses that are agile and that exhibit many of the key attributes, set out below that we believe are critical to building relevance and value.

Importantly, all of the businesses, and associated capabilities, that we have invested in to date exhibit many of the above characteristics. Our focus is to develop these acquisitions through the provision of senior management expertise and contacts, distribution and marketing support, and, where required, additional capital. The intention is that, over time, the Company develops between five to seven distinct and different asset management and wealth capabilities in some of the fastest growing and/or under-valued areas within the sector. The expectation is that in addition to building these verticals, there will also be significant opportunities for the capabilities to work together and deliver further growth.

Campbell Fleming, Chief Executive Officer

Peter McKellar, Deputy Chairman

18 February 2022

***Active specialists* – Saracen Fund Managers**

Saracen Fund Managers was established in Edinburgh in 1997. It is an active investment manager offering a range of UK and Global equity strategies. All of the funds managed by Saracen are concentrated, differentiated portfolios.

A strict valuation framework is the cornerstone of the investment process. Coupled with detailed fundamental analysis, and a worst-case analysis for risk, the aim is to invest in high quality companies at an attractive price. ESG analysis is also a core element of the investment process, and the team are most interested in companies that can improve their ESG score over time, with better disclosure and revised practices. This can contribute to a better operating and financial performance at the relevant company, which can lead to a rerating of the shares. This approach is based on supporting change, rather than investing in the best in class.

"Saracen is a small fund management firm with great potential. The investment team focuses on what we do best; giving us the freedom to invest with conviction within a disciplined investment process, unhindered by bureaucracy." – **Bettina Edmondston, Investment Director at Saracen Fund Managers**

***Digital platform* – Parmenion**

Since 2007, Parmenion's award-winning investment expertise and diverse range of investment solutions has helped financial advice firms build their own investment propositions.

Based in Bristol – one of the UK's fintech hubs – Parmenion's strength comes from having built a powerful combination of an intelligent investment capability, intuitive technology and a stellar service platform.

Trusting Parmenion to do the heavy lifting means financial advisers can reduce risk and cost in their business, leaving them with more time; time that can be spent on what matters most, developing stronger client relationships and growing their business.

Parmenion's AuM is now £9.3 billion, with over 1,500 financial advice firms partnering with them to deliver their chosen investment proposition to over 80,000 underlying clients.

"Parmenion has positioned itself as a forward-looking enabler to the UK wealth management sector. Through a combination of proprietary technology, the extensive knowledge and experience of our management team and a commitment to understanding and responding to the needs of our clients, Parmenion has delivered a service which has been consistently ranked in the top two every quarter since 2016. Parmenion will continue to invest in the business to ensure that we can help our clients better serve their customers and support the growth in their business." – **Martin Jennings, Chief Executive of Parmenion**

***High growth thematics* – Rize ETF**

Rize ETF is believed to be Europe's first specialist thematic ETF issuer and one of the fastest growing providers in the rapidly growing thematic ETF segment of the asset management industry. The business was founded in January 2019 by an experienced management team, with a proven track record in establishing and scaling ETF businesses.

Thematic ETFs allow investors to invest in opportunities outside of traditional sectors. According to Morningstar Research, total thematic fund AuM globally grew to $595 billion as of March 2021, from $174 billion three years earlier, with Europe representing over half of the AuM. AuM invested in thematic funds represents 2.1% of all assets invested in equity funds globally, up from 0.6% ten years ago. In Europe, total AuM allocated to thematic ETFs is estimated at over $40 billion.

So far Rize ETF – which is headquartered in London – has launched six new and innovative thematic ETFs, providing investors with access to transformational megatrends in an accessible, transparent and purpose-built way. The strategies include Cybersecurity and Data Privacy, Education Tech and Digital Learning, Medical Cannabis and Life Sciences and Sustainable Future of Food.

Rize ETF currently has $455.7 million of AuM. Importantly, all six ETFs have a Sustainable Finance Disclosure Regulation (SFDR) rating of 8 or 9. The ETFs are marketed using traditional and digital mediums and distributed primarily through wholesale channels, including IFAs, private banks, wealth managers, fund of funds and discretionary asset managers.

Rize ETF has a strong pipeline of anticipated launches in 2022 and 2023, underpinned by a focused research ethos and an approach to the development of new investment strategies that leverage the best experts in an industry in each of the relevant themes.

"Rize ETF is pioneering a new and better way to invest in the future, one that we believe empowers investors to participate in the growth stories of tomorrow, while remaining on the right side of history." - **Rahul Bhushan, Co-Founder and Director of Rize ETF Limited**

Consolidated Income Statement

for the year ended 30 September 2021

	Notes	2021 £'000	2020 £'000
Revenue	3	**408**	-
Cost of sales		**(536)**	-
Gross (loss)/profit		**(128)**	-
Other income	4	**22,388**	4,597
Administrative expenses		**(7,967)**	(1,192)
Operating profit	5	**14,293**	3,405
Investment income		**1,844**	18
Finance costs		**(8)**	(62)
Profit before income tax		**16,129**	3,361
Income tax charge	6	**(1,442)**	-
Profit for the year		**14,687**	3,361
Profit attributable to:			
Owners of the parent		**14,796**	3,361
Non-controlling interest		**(109)**	-
		14,687	3,361

Earnings per Ordinary Share attributable to the owners of the parent during the year		**Pence**	Pence
From continuing operations			
Basic	7	**180.57**	27.52
Diluted	7	**161.05**	27.52

Consolidated Statement of Comprehensive Income

for the year ended 30 September 2021

	2021 £'000	2020 £'000
Profit for the year	**14,687**	3,361
Other comprehensive income:		
Currency translation differences	**(7)**	(871)
Other comprehensive income (net of tax)	**(7)**	(871)
Total comprehensive income for the year	**14,680**	2,490
Attributable to:		
Owners of the parent	**14,799**	2,490
Non-controlling interests	**(109)**	-
Total comprehensive income for the year	**14,680**	2,490

Consolidated Statement of Financial Position as at 30 September 2021	**Group 2021 £'000**	Group 2020 £'000
Assets		
Non-current assets		
Property, plant and equipment	**16**	-
Intangible assets	**20,067**	-
Total non-current assets	**20,083**	-
Current assets		
Trade and other receivables	**607**	4,683
Financial assets at fair value through profit and loss	**12,000**	-
Current income tax receivable	**3**	-
Cash and cash equivalents	**26,902**	27,860
Cash held in respect of bonds	**-**	1,058
Total current assets	**39,512**	33,601
Total assets	**59,595**	33,601
Liabilities		
Non-current liabilities		
Deferred tax liabilities	**49**	-
Total non-current liabilities	**49**	-
Current liabilities		
Trade and other payables	**1,972**	1,256
Current income tax liabilities	**1,437**	-
Total current liabilities	**3,409**	1,256
Total liabilities	**3,458**	1,256
Equity attributable to owners of the parent		
Share capital	**843**	1,221
Share Premium	**27,770**	-
Capital redemption reserve	**653**	-
Merger reserve	**2,762**	-
Other reserves	**5,496**	-
Retained earnings	**18,892**	31,124
	56,416	32,345
Non-controlling interest	**(279)**	-
Total equity	**56,137**	32,345
Total equity and liabilities	**59,595**	33,601

Consolidated Statement of Cash Flows for the year ended 30 September 2021	**Group 2021 £'000**	Group 2020 £'000
Cash flow from operating activities		
Cash generated by operations (note 8)	**16,755**	8,807
Cash released in respect of bonds	**1,104**	2,270
Finance costs	**(8)**	(62)
Net cash generated by operating activities	**17,851**	11,015
Cash flow from investing activities		
Payments for acquisition of subsidiaries, net of cash acquired	**(16,460)**	-
Dividends received from financial assets held at fair value	**194**	-
Interest income	**-**	18
Purchase of property, plant and equipment	**(8)**	-
Purchase of intangibles	**(1)**	-
Net cash generated by/(used in) investing activities	**(16,275)**	18
Cash flow from financing activities		
Proceeds from issuance of Ordinary shares	**25,013**	-
Costs of share issue	**(515)**	-
Payments for shares bought back	**(26,850)**	-
Buy-back transaction costs	**(171)**	-
Net cash used in financing activities	**(2,523)**	-
Net change in cash and cash equivalents	**(947)**	11,013
Cash and cash equivalents at beginning of year	**27,860**	17,101
Exchange differences on translation	**(11)**	(274)
Cash and cash equivalents at end of year	**26,902**	27,860

Consolidated Statement of Changes in Equity	Share capital	Share premium account	Capital redemption reserve	Merger reserve	Other reserve	Retained earnings	Total	Non-controlling interest	**Total equity**
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 October 2019	**25,474**	**64,941**	**-**	**-**	**-**	**(60,560)**	**29,855**	**-**	**29,855**
Comprehensive income									
Profit for the year	-	-	-	-	-	**3,361**	**3,361**	**-**	**3,361**
Other comprehensive income/(expense)									
Currency translation differences	-	-	-	-	-	**(871)**	**(871)**	**-**	**(871)**
Total comprehensive income	-	-	-	-	-	**2,490**	**2,490**	**-**	**2,490**
Capital reconstruction	**(24,253)**	**(64,941)**	-	-	-	**89,194**	**-**	**-**	**-**
At 30 September 2020	**1,221**	**-**	**-**	**-**	**-**	**31,124**	**32,345**	**-**	**32,345**
Comprehensive income									
Profit for the year	-	-	-	-	-	**14,796**	**14,796**	**(109)**	**14,687**
Other comprehensive income									
Currency translation differences	-	-	-	-	-	**(7)**	**(7)**	**-**	**(7)**
Total comprehensive income	-	-	-	-	-	**14,789**	**14,789**	**(109)**	**14,680**
Proceeds from share issue	**173**	**24,840**	-	-	-	-	**25,013**	**-**	**25,013**
Costs of share issue	**-**	**(515)**	-	-	-	-	**(515)**	**-**	**(515)**
Share buy-back	**(653)**	**-**	**653**	-	-	**(26,850)**	**(26,850)**	**-**	**(26,850)**
Costs of share buy-back	-	-	-	-	-	**(171)**	**(171)**	**-**	**(171)**
Shares issued on acquisition	**17**	**-**	-	**2,762**	-	-	**2,779**	**-**	**2,779**
Share-based payments									
- LTIP	**-**	**-**	-	-	**5,496**	-	**5,496**	**-**	**5,496**
- success fee	**85**	**3,445**	-	-	-	-	**3,530**	**-**	**3,530**
Non-controlling interest on acquisition	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(170)**	**(170)**
At 30 September 2021	**843**	**27,770**	**653**	**2,762**	**5,496**	**18,892**	**56,416**	**(279)**	**56,137**

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
for the year ended 30 September 2021

1. General information and basis of presentation

AssetCo Plc ("AssetCo" or the "Company") is a public limited company incorporated and domiciled in England and Wales. The address of its registered office is Singleton Court Business Park, Wonastow Road, Monmouth, Monmouthshire, NP25 5JA. The Company operates from an administrative office in the UK as well as a site in UAE. In February 2021 the Company announced its intention to change strategy to focus on developing an asset and wealth management business. Following the successful re-admission of the AssetCo's shares to AIM in April 2021 the Company has acquired two subsidiaries involved in these activities.

The audited preliminary announcement has been prepared in accordance with the Group's accounting policies as disclosed in the financial statements for the year ended 30 September 2021 and international accounting standards in conformity with the requirements of the Companies Act 2006 ('IFRS'), and the applicable legal requirements of the Companies Act 2006. This preliminary announcement was approved by the Board of Directors on 18 February 2022. The preliminary announcement does not constitute statutory financial statements within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year to 30 September 2020 have been delivered to the Registrar of Companies. The audit report for those accounts was unqualified and did not contain statements under 498 (2) or (3) of the Companies Act 2006 and did not contain any emphasis of matter.

Certain statements in this announcement constitute forward-looking statements. Any statement in this announcement that is not a statement of historical fact including, without limitation, those regarding the Company's future expectations, operations, financial performance, financial condition and business is a forward-looking statement. Such forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially. These risks and uncertainties include, amongst other factors, changing economic, financial, business or other market conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described in this announcement and the Company undertakes no obligation to update its view of such risks and uncertainties or to update the forward-looking statements contained herein. Nothing in this announcement should be construed as a profit forecast.

While the financial information included in this preliminary announcement has been prepared in accordance with the recognition and measurement criteria of IFRS, this announcement does not itself contain sufficient information to comply with IFRSs. The Company will publish its full financial statements for the year ended 30 September 2021 by 30 April 2022, which will be available on the Company's website at www.assetco.com and at the Company's registered office at Singleton Court Business Park, Wonastow Road, Monmouth NP25 5JA. The Annual General Meeting will be held on Thursday 16 April 2022.

2. Going concern

The directors have considered the going concern assumption of the company, AssetCo plc, by assessing the operational and funding requirements of the Group.

As set out in the Chairman's statement the board has decided to pursue a new strategy of developing an asset and wealth management business. The successful conclusion of the claim against Grant Thornton has generated cash resources and freed up management time which, together with the appointment of two new directors with considerable experience of asset and wealth management, means the company is well placed to make a success of this.

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 in operational existence for the foreseeable future.

On 25 January 2022 the Company announced a formal bid to acquire 94.15% of River and Mercantile Group Plc. As a result of its size, the Acquisition constitutes a Reverse Takeover for AssetCo for the purposes of the AIM Rules. In advance of the potential Acquisition, AssetCo will be required to undertake a re-admission process and to publish a re-admission document and to seek the approval of AssetCo Shareholders for the Acquisition at the AssetCo General Meeting. The Acquisition will also be conditional on the approval of AssetCo Shareholders to the granting of authorities necessary for the issuance of the New AssetCo Shares, such authorities to be put to the AssetCo Shareholders at the AssetCo General Meeting.

3. 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 company's commercial competencies, Active Specialists and High-Growth Thematics.

No secondary segmental information has been provided as, in the view of the Directors, whilst there is a presence in UAE it is not material in the context of the Group’s new activities following the change in strategy to concentrate on asset and wealth management. All revenues are earned in the UK. The directors consider that the chief operating decision maker is the Board.

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 and also operates out of a branch in UAE. Unallocated comprises AssetCo including the UAE business.

The segment information provided to the Board for the reportable segments for the year ended 30 September 2021 is as follows:

2021	Active specialists £'000	High-growth thematics £'000	Unallocated £'000	**Total £'000**
Revenue				
Management fees	135	-	-	408
Marketing fees	-	273	-	273
Total revenue to external customers	135	273	-	408
Operating profit/(loss)	**32**	**(347)**	**14,608**	**14,293**
Investment 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				
Total assets	3,518	21,712	34,335	59,595
Total liabilities	(85)	(471)	(2,902)	(3,458)
Total net assets	**3,433**	**21,271**	**31,433**	**56,137**
Depreciation	-	2	-	2
Amortisation	1	7	-	8
Total capital expenditure	3	5	-	8

	Active specialists	High-growth thematics	Unallocated	**Total £'000**

2020

Revenue				
Management fees	-	-	-	-
Marketing fees	-	-	-	-
Total revenue to external customers	-	-	-	-
Operating profit	-	-	**3,405**	**3,405**
Investment income	-	-	18	18
Finance costs	-	-	(62)	(62)
Profit before tax	-	-	3,361	3,361
Income tax	-	-	-	-
Retained profit	-	-	**3,361**	**3,361**
Segment assets				
Total assets	-	-	33,601	33,601
Total liabilities	-	-	(1,256)	(1,256)
Total net assets	-	-	**32,345**	**32,345**
Total capital expenditure	-	-	-	-

4. Other income

	2021	2020
	£'000	£'000
Grant Thornton litigation	**25,918**	4,597
Success fee	**(3,530)**	-
	22,388	4,597

As referred to in the Chairman's statement the case against Grant Thornton was concluded successfully on 2 October 2020. The total award came to £30.515 million of which £4.597 million was reflected in the 2020 full year accounts, as it had been awarded by the Courts irrespective of the outcome of any appeal. Other income shown in these accounts represents the balance of the Court's award, less the success fee of 15% of claim proceeds excluding costs.

5. Operating profit

	2021	2020
Operating profit is stated after charging the following:	**£000**	£000
Depreciation of property plant and equipment	**2**	-
Amortisation of intangible assets	**8**	-
Foreign exchange differences	**89**	23
Fees payable to the company's auditors:		
For the audit of the parent Company and the consolidated financial statements	**132**	45
Employee benefit expense (see below)	**7,014**	425

Employee expense includes a share-based charge of £5.496 million in respect of the Company's LTIP (see note 9) plus a further £0.777 million charge in employers' national insurance on the share awards to give a total charge included above of £6.273 million.

6. Income tax charge

	2021	2020
Group	**£'000**	£'000
Current tax:		
Current tax on profit for the year	**1,437**	-
Total current tax	**1,437**	-
Deferred tax:		
Arising from movement in deferred tax assets	**(307)**	-
Arising from movement in deferred tax liabilities	**312**	-
Total deferred tax	**5**	-
Income tax charge	**1,442**	-

7. Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the parent by the weighted average number of Ordinary Shares in issue during the year.

	2021	2020
	£'000	£'000
Profit attributable to owners of the parent	**14,796**	3,361
Weighted average number of Ordinary Shares in issue	**8,194,031**	12,211,163
Basic profit per share – pence	**180.57**	27.52

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of Ordinary Shares outstanding assuming conversion of all dilutive potential Ordinary Shares. The Company has one category of dilutive potential ordinary shares being shares allocated to the LTIP pool.

	2021	2020
	£'000	£'000
Profit attributable to owners of the parent	**14,796**	3,361
Weighted average number of Ordinary Shares in issue	**9,187,346**	12,211,163
Diluted profit per share – pence	**161.05**	27.52

	2021	2020
Weighted average number of Ordinary Shares in issue	**8,194,031**	12,211,163
Adjustment for:		

- Assumed vesting of all shares in LTIP pool	**993,315**	-
Weighted average number of Ordinary Shares including potentially dilutive shares	**9,187,346**	12,211,163

8. Cash generated by operations

	Group 2021 £'000	Group 2020 £'000
Profit before tax	**16,129**	3,361
Adjustments for:		
Share-based payments		
- LTIP	**5,496**	-
- Success fee	**3,530**	-
Depreciation	**2**	-
Amortisation	**8**	-
Finance costs	**8**	62
Investment income	**(194)**	(18)
Increase in investments	**(12,000)**	-
Changes in working capital		
- Trade and other receivables	**4,367**	6,024
- Trade and other payables	**(591)**	(622)
Net cash generated by operations	**16,755**	8,807

9. Deferred shares – Long Term Incentive Plan

During the year the Group implemented a Long Term Incentive Plan ("LTIP") which seeks to align the interests of shareholders and senior management by focusing on the increase in market value of the group's shares. The arrangement is such that participants receive a share of a pool value equivalent to 20% of the total growth in market capitalisation for the performance period, calculated under the agreed formula. In the ordinary course of events, the award is settled one third in cash within 60 days of the year end, and two thirds in shares over a vesting period of 5 years in equal annual instalments. They automatically convert into one ordinary share each on vesting, at an exercise price of nil. The executives do not receive any dividends and are not entitled to vote in relation to the deferred shares during the vesting period. If an executive ceases to be employed by the group within this period, the rights will be forfeited, except in limited circumstances that are approved by the board on a case-by-case basis.

For the LTIP award in respect of 2021 it has been agreed that the 1/3rd element of the annual LTIP normally paid in cash would now be equity-settled in order to fully align the interests of shareholders and the executives. The 2021 awards were granted on 28 September 2021 and has a performance period end of 30 September 2021.

The fair value of deferred shares granted to employees for nil consideration under the LTIP is recognised as an expense over the relevant service period, being the year to which the bonus relates and the vesting period of the shares. The fair value is measured at the grant date of the shares and is recognised in equity in the share-based payment reserve.

We engage with external experts to undertake the valuation of the awards. The performance condition for the equity-settled LTIP is a market-based performance condition. As the grant date was 2 days before the end of the first performance period, the fair value of the LTIP awards were calculated by determining the Company's volume weighted average share price ("VWAP") for 18 out of the 20 dealing days required to determine the Award value. In this case, we consider the 18-day average VWAP up to the grant date, plus the grant date share price as an estimate of the final 2 days, to represent a fair estimate for IFRS2 purposes. The fair value of the rights at grant date was calculated as £16.72 per share.

The number of shares expected to vest is estimated based on the non-market vesting conditions. The estimates are revised at the end of each reporting period, and adjustments are recognised in profit or loss and the share-based payment reserve. The group recognises a charge of £5,496,000 (2020: £nil) in the Consolidated Income Statement in respect of the equity-settled LTIP.

The total number of shares to be issued under the 2021 LTIP based on the actual award value calculated under the agreed formula at the end of the performance period (£17.01 per share) is 993,315 of which 331,110 are due to vest shortly after the signing of the 2021 financial statements.

There were no deferred shares at the beginning of the reporting period, and those granted under the 2021 LTIP remained outstanding as at 30 September 2021. The weighted average remaining contractual life of the deferred shares outstanding at the end of the period is 2.01 years.

When shares vest employers' national insurance is payable. A liability for the relevant amount of employers' national insurance is recognised within liabilities in the period to which the vesting equities relate. An accrual for £777,000 (2020: £nil) has been recognised in liabilities in respect of the 2021 LTIP.

Net settlement feature for withholding tax obligations

Under UK tax law, AssetCo plc must withhold an amount for an employee's tax obligation associated with a share-based payment and transfer that amount in cash to the tax authority on the employee's behalf. The deferred shares granted under the group's LTIP scheme include a net settlement feature under which the Company withholds shares in order to settle the employee's tax obligations.

10. Post balance sheet events

On 1 October 2021 the Company announced the acquisition of a 30% stake in Parmenion Capital Partners LLP for a purchase price of £21.9 million.

On 25 January 2022 the Company announced a formal bid to acquire the 94.15% of River and Mercantile Group Plc which was not already owned, with River and Mercantile shareholders entitled to receive 0.07392 New AssetCo shares for each River and Mercantile share held which, as at the date of the 2.7 announcement, corresponded to a total consideration of approximately £99 million.

There are no other post balance sheet events.

11. Annual general meeting

A notice convening the annual general meeting will be posted to shareholders in due course.

12. Electronic communications

This Preliminary Announcement is available on the company's website [www.assetco.com .](http://www.assetco.com) News updates, regulatory news and financial statements can be viewed and downloaded from the company's website, www.assetco.com . Copies can also be requested, in writing, from The Company Secretary, AssetCo plc, Singleton Court Business Park, Wonastow Road, Monmouth, Monmouthshire NP25 5JA. The company is not proposing to bulk print and distribute hard copies of the Annual Report and Financial Statements for the year ended 30 September 2021 unless specifically requested by individual shareholders; it can be downloaded from the company's website.