Expanding our horizons.

Praxis IFM

Interim Report & Unaudited Consolidated Financial Statements

For the six months ended 31 October 2021

Global professional administration services

2021.

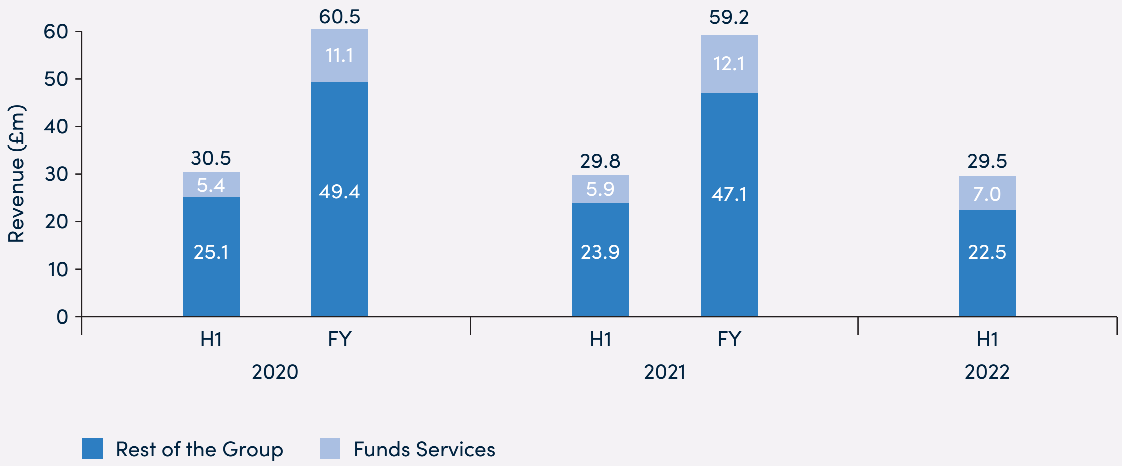
A period of preparing the Group for the next phase of growth and building for the future.

Contents

Business and Financial Highlights

Following the announcement in July 2021, the Group completed the disposal of the Fund Services division to Sanne Holdings Limited on 3 December 2021 for a total consideration of £54m.

As a result of the transaction completing after the period end, the trading performance of the Fund Services division has been included in the Group's reported results for the six months to 31 October 2021 as a continuing operation.



£29.5m

Revenue
(2021 H1: £29.8m)

56.1%

Gross Profit Margin
(2021 H1: 54.4%)

£5.1m

Adjusted EBITDA
(2021 H1: £5.9m)

17.2%

Adjusted EBITDA Margin
(2021 H1: 19.8%)

£1.6m

Operating Cash Flow
(2021 H1: £1.1m)

£6.2m

Net Debt
(2021 H1: £10.9m)

Notes
EBITDA is a widely recognised measure of profitability after adding depreciation, amortisation, interest and tax back to profit/(loss) for the period/year.
Adjusted EBITDA excludes exceptional or non-recurring charges.

Chairman's Statement

The six months to 31 October 2021, has seen robust performance by the Group, with revenue in line with the prior period. The management team, led by Group CEO Rob Fearis, continue to focus on our plan to deliver a simpler, stronger and more efficient business.

The disposal of the Fund Services division to Sanne Holdings Limited was a key focus area, with the team negotiating the sale and undertaking the complex task to carve-out the infrastructure of the Fund Services division.

Looking forward, as the business enters its 50th anniversary year, the focus created by the sale of the Fund Services division provides the business with a unique opportunity to accelerate the transformation process and to further enhance our client relationships, capitalising on our leadership position in private wealth and expanding our market share in corporate services.

Revenue for the six months to 31 October 2021, at £29.5m was in line with the six months to 31 October 2020 with net debt continuing to reduce to £6.2m at the end of the period (30 April 2021 - £6.6m). Adjusted EBITDA for the six months was £5.1m.

Management team

Our people are at the core of how we deliver value to our clients and as we refocus the business on private wealth and corporate services, the organisational structure and culture of the business will inevitably go through some changes. We will continue to build on our shared services and the unification of operating functions across the Group. As a Board we recognise that change can be challenging and are committed to developing an environment that nurtures growth, one where we will continue to invest in developing our existing teams, attracting new colleagues and delivering a world class service to our clients.

Central to the success of our program is the leadership team and I am pleased to announce that Richard Morris, the Group Chief Financial Officer (CFO), will join the Group Board as an executive director on 1 February 2022. Richard has been with the business since 2016 and has been the CFO since 2020 with responsibility for the Group's finance and information technology.

I look forward to welcoming Alexandra McInnes to the business in mid-February as Group Chief Operating and Risk Officer (CORO) with responsibility for the firm's risk, compliance and infrastructure functions. Alexandra has previously worked in senior roles for PwC and KPMG in Bermuda, London and New York specialising in operational transformation. Alexandra is currently a director with PwC's Advisory business in Guernsey, where she has led a number of governance, risk and compliance transformation projects for financial services clients. Alexandra will report to Rob Fearis and will join the Group Executive Committee.

Strategy

The sale of the Fund Services division offers PraxisIFM a unique opportunity to accelerate the transformation of the business, further simplifying the way that we work and leveraging the skills and experience we have across the Group to increase the breadth of services offered to our existing clients, whilst attracting new clients looking for an integrated solution. Private wealth represents the majority of our revenue today and developing our capabilities across corporate services sits at the heart of our growth ambitions, with significant opportunities identified to accelerate growth, with the goal of a balanced business portfolio.

Protecting the quality of client relationships and offering an increased range of solutions will be key to accelerating organic growth, supported by planned investments into people and technology. This will raise both brand awareness and the productivity and service levels offered by our existing teams, product lines and offices. As a Board we will continue to evaluate opportunities to accelerate growth. Hiring individuals and teams and undertaking targeted acquisitions where we are confident in managing the business and integration risks, will inevitably play a part and enable us to accelerate the deployment of new services to our clients and deliver further shareholder value.

Reaching the business' full potential will take a number of years and we expect that the actions being taken to address the cost base following the Fund Services division disposal will result in a step change in 2022. Our target is to grow revenues organically by 5% per annum, with an associated gross profit margin of 65%+, and to build a business capable of delivering an adjusted EBITDA margin of 23-27%.

Further details on the Group's strategy will be presented to shareholders on 8 March 2022.

Capital structure

Following the completion of the Fund Services division sale to Sanne Holdings Limited for £54m, we announced that £40m of the proceeds would be returned to shareholders. This return of capital will be subject to approval by the Company's shareholders at an extraordinary general meeting, the details of which will be communicated shortly.

Following the return of capital it is the Board's intention to use the remaining proceeds to reduce borrowings under the Group's bank facilities and to adopt a policy whereby the balance sheet will be managed in line with a typical investment grade rating with net debt of 1.25-1.75 times adjusted EBITDA.

As the business refocuses on Private Wealth and Corporate Services it is also the Board's intention to return to paying a regular dividend. The Board expects an interim dividend to be declared following the announcement of the interim results for the six months to 30 June 2022 with payment expected in October 2022, and a final dividend declared with the audited accounts for the 12 months to 31 December 2022 anticipated to be paid in May 2023.

Accounting reference date

On 7 April 2021, the Group announced that the accounting reference date would change from 30 April to 31 December. It is planned to announce results for the eight months to 31 December 2021 in May 2022.

Iain Torrens
Chairman

31 January 2022

> “Protecting the quality of client relationships and offering an increased range of solutions will be key to accelerating organic growth, supported by planned investments into people and technology.

Chief Executive's Statement

It is now 18 months since we embarked on the transformation of the business and despite the varying restrictions which have been imposed by the COVID-19 pandemic, I am very proud of the progress made by the team in delivering a higher quality service to our clients and increasing the efficiency and resilience of our infrastructure.

Changes to the management of our IT infrastructure and business systems have improved their reliability and flexibility. The recent introduction of the Sage People human resource management platform and the Profund pension administration platform have provided added efficiency for our people and clients respectively.

The disposal of the Fund Services division completed on 3 December 2021 and has provided a catalyst for the business to refocus, clearly defining the services and solution we will provide to our clients, our use of technology and the way that we are organised internally. We will cover each of these areas in more detail in our strategy presentation at the end of February 2022, however, as a management team we are confident in the prospects for the business and our ability to become a leader in each of the sectors in which we choose to operate.

> "The disposal of the Fund Services division completed on 3 December 2021 and has provided a catalyst for the business to refocus, clearly defining the services and solution we will provide to our clients

Business review

Private Wealth and Corporate Services

During the half-year, revenue was £20.1m (2021 H1: £21.8), with a strong performance from Jersey and London due to organic revenue growth; Malta, where we acquired the Abacus yacht services business during Q1; and BVI, which is benefiting from company incorporations returning towards pre-pandemic levels combined with revenue from our new economic substance services.

Together these partially offset the impact on revenue of client attrition arising from the integration of previous acquisitions in Guernsey and the Netherlands, and the ever-changing landscape in Hong Kong. Alongside this a number of clients, prompted by the impact of the COVID-19 pandemic, have been taking the opportunity to revisit their affairs. That said, the rate of attrition has slowed in all three locations, and we expect performance to improve in our new financial year.

The gross profit margin in the period showed an improvement to 59.2% (2021 H1: 55.0%) but continues to fall short of our target. As we look ahead, we expect to continue to build on the Group's recent success in developing shared services.

Pension Services

Revenue in Pension Services was £2.1m (2021 H1: £1.9m) with the headwinds seen in the Guernsey pensions business, primarily due to team member attrition, offset by the continuing strong performance of our Maltese business. The latter continues to be highly attractive to our introducers which should increase following our investment in the Profund multi-member scheme software platform. Gross margin improved in the period to 64.3% and we are confident that the reorganisation being undertaken in Guernsey and the investment into on-boarding technology will ensure this improvement continues during 2022.

We have recently appointed James Barber-Lomax to run the pensions business with a focus on widening the range of solutions available to our clients and expanding our introducer network globally. James has been with the Group for eight years, initially working from our office in the UAE before moving to London where he is currently based.

Fund Services

The disposal of the Fund Services division to Sanne Holdings Limited for £54m was completed on 3 December 2021. Revenue in the division increased by £1.1m.

Business development

Despite the difficulties caused by the COVID-19 pandemic, and in particular the impact which travel restrictions have had on our ability to meet with people outside of our home jurisdictions face-to-face, we have adapted our ways of working to ensure that we provide a high quality, solution-led service to our clients. As a result, in H1 we have seen £2.2m (2021 H1: £2.0) of new business delivered across our Private Wealth and Corporate Services businesses, with a strong pipeline of further opportunities nearing completion.

As we look forward into 2022, whilst video conferencing has served us well, it is no substitute for meeting both our existing and future clients face to face. With the world learning to live with COVID-19 in its ever-evolving variants, we look forward to returning to meeting up with our clients, our contacts, and our colleagues in person once again.

Robert Fearis
Chief Executive Officer

31 January 2022

Unaudited Consolidated Income Statement

For the six months ended 31 October 2021

	Note	6 months ended 31 October 2021 £'000	Year ended 30 April 2021 £'000	6 months ended 31 October 2020 £'000
Turnover		**29,467**	**59,184**	**29,825**
Staff costs and other direct costs	5	(12,926)	(26,982)	(13,610)
Gross profit		**16,541**	**32,202**	**16,215**
Administrative salaries		(5,195)	(8,988)	(4,295)
Administrative expenses		(2,865)	(5,697)	(2,795)
Technical & training		(90)	(147)	(50)
Marketing		(324)	(402)	(206)
Computer expenses		(1,546)	(3,733)	(1,746)
Insurance		(1,092)	(1,555)	(780)
Travel & entertaining		(56)	(66)	(33)
Rent and rates		(1,592)	(4,144)	(1,705)
Amortisation of intangible assets	7	(2,356)	(5,566)	(2,238)
Finance & bad debts		(309)	(1,152)	(420)
Goodwill Impairment		–	(4,631)	–
Other operating income		17	447	95
Operating profit/(loss)		**1,133**	**(3,432)**	**2,042**
Interest receivable & similar income		3	19	15
Interest payable & similar charges		(390)	(819)	(412)
Profit/(loss) before taxation		**746**	**(4,232)**	**1,645**
Tax on loss of ordinary activities		(678)	(1,169)	(559)
Profit/(loss) for the financial period/year		**68**	**(5,401)**	**1,086**
Profit/(loss) for the financial period/year attributable to:				
Owners of the parent		51	(5,449)	1,059
Non-controlling interests		17	48	27
Earnings per ordinary share (expressed in pence per share)				
Basic	6	0.3	(5.5)	1.0
Diluted	6	0.3	(5.5)	1.0

The notes on pages 11 to 22 form part of the financial statements.

Unaudited Consolidated Statement of Comprehensive Income

For the six months ended 31 October 2021

	6 months ended 31 October 2021 £'000	Year ended 30 April 2021 £'000	6 months ended 31 October 2020 £'000
Profit/(loss) for the financial period/year	**68**	**(5,401)**	**1,086**
Foreign exchange (loss)/gain	(258)	(1,273)	473
Total comprehensive income for the financial period/year	**(190)**	**(6,674)**	**1,559**
Total comprehensive income for the financial period/year attributable to:			
Owners of the parent	(207)	(6,722)	1,532
Non-controlling interests	17	48	27

The notes on pages 11 to 22 form part of the financial statements.

Unaudited Consolidated Statement of Financial Position

For the six months ended 31 October 2021

		31 October 2021		30 April 2021		31 October 2020	
	Note	£'000	£'000	£'000	£'000	£'000	£'000
Fixed assets							
Intangible assets	7		40,055		42,475		50,654
Tangible assets	8		2,677		2,973		3,278
Investments			479		365		338
			43,211		**45,813**		**54,270**
Current assets							
Accrued income		3,666		3,383		5,247	
Debtors and prepayments	9	15,411		20,295		16,197	
Cash and cash equivalents		13,825		15,544		11,937	
		32,902		**39,222**		**33,381**	
Creditors: amounts falling due within one year	10	**(21,020)**		**(27,962)**		**(26,664)**	
Net current assets			**11,882**		**11,260**		**6,717**
Total assets less current liabilities			**55,093**		**57,073**		**60,987**
Creditors: amounts falling due after more than one year	11		**(11,913)**		**(13,809)**		**(12,923)**
Provisions for liabilities	12		**(631)**		**(714)**		**–**
Net assets			**42,549**		**42,550**		**48,064**
Capital and reserves							
Called up share capital			1,126		1,126		1,126
Share premium			66,344		66,344		66,344
Treasury shares			(2,740)		(2,740)		(4,597)
ESOP share reserve			200		661		821
Capital reserve			(1,239)		(820)		(173)
Profit and loss account			(21,284)		(22,102)		(15,519)
Equity attributable to owners of the parent company			**42,407**		**42,469**		**48,002**
Non-controlling interests			**142**		**81**		**62**
			42,549		**42,550**		**48,064**

The financial statements were approved by the Board of Directors and authorised for issue on 31 January 2022 and are signed on its behalf by:

Stephanie Coxon

The notes on pages 11 to 22 form part of the financial statements.

Unaudited Consolidated Statement of Cash Flows

For the six months ended 31 October 2021

	Note	6 months ended 31 October 2021 £'000	Year ended 30 April 2021 £'000	6 months ended 31 October 2020 £'000
Cash flows from operating activities				
Profit/(loss) of operating activities before taxation		746	(4,232)	1,645
Adjustments for:				
Amortisation of intangible assets	7	2,356	5,566	2,238
Depreciation of tangible assets		596	1,219	729
Interest expense		390	819	412
Interest income		(3)	(19)	(15)
Onerous lease	12	(83)	714	–
Goodwill impairment		–	4,631	–
Increase in accrued income		(281)	1,671	(191)
Decrease in debtors	9	4,883	1,069	5,167
(Decrease)/increase in creditors	10	(6,581)	(2,700)	(8,389)
Cash from operating activities		**2,023**	**8,738**	**1,596**
Income taxes paid		(418)	(823)	(513)
Net cash from operating activities		**1,605**	**7,915**	**1,083**
Cash flows from investing activities				
Purchases of tangible assets	8	(422)	(601)	(287)
Purchases of intangible assets	7	–	(73)	(77)
Cash paid for acquisitions	15	(184)	–	–
Other investment income		–	38	39
Divestment of Electro Holdings		–	2,000	2,000
Interest received		3	19	15
Net cash (used in)/from investing activities		**(603)**	**1,383**	**1,690**
Cash flows used in financing activities				
Bank loan drawdowns		–	5,000	–
Bank loan repayments	14	(2,859)	(3,819)	(1,882)
Net movement on overdraft	14	436	(3,214)	(70)
Deferred consideration paid		–	(2,300)	(1,308)
Net settlement of loan note consideration		–	(1,159)	–
Exercise of share options		–	210	–
Net capital flows from finances leases		(99)	(167)	(47)
Contractual covenant payments		(52)	(104)	(52)
Interest paid		(390)	(819)	(412)
Dividends paid		–	(46)	(48)
Net cash used in financing activities		**(2,964)**	**(6,418)**	**(3,819)**

The notes on pages 11 to 22 form part of the financial statements.

Unaudited Consolidated Statement of Cash Flows

For the six months ended 31 October 2021

continued

	Note	6 months ended 31 October 2021 £'000	Year ended 30 April 2021 £'000	6 months ended 31 October 2020 £'000
Net (decrease)/increase in cash and cash equivalents		**(1,962)**	**2,880**	**(1,046)**
Cash and cash equivalents at beginning of period/year		15,544	13,144	13,144
Effect of foreign exchange rate changes		243	(480)	(161)
Cash and cash equivalents at end of period/year		**13,825**	**15,544**	**11,937**

The notes on pages 11 to 22 form part of the financial statements.

Notes to the Consolidated Financial Statements

1. Statutory information

PraxisIFM Group Limited is a company limited by shares, domiciled in Guernsey, Channel Islands, registration number 30367. The registered office is Sarnia House, Le Truchot, St Peter Port, Guernsey. The nature of the Company's operations and its principal activity are set out in the directors' report.

2. Significant accounting Policies

The Group has applied consistent accounting policies, presentation and methods of calculation as those followed in the preparation of the Group's consolidated financial statements for the year ended 30 April 2021, in accordance with FRS 102, the Financial Reporting Standard applicable in UK and Republic of Ireland, and applicable law.

Basis of preparation of financial statements

These consolidated financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland, and applicable law. The financial statements have been prepared on the historical cost basis except for the modification to fair value for certain financial instruments as specified in the accounting policies below. Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

Consistent with the requirements of Guernsey company Law, the parent Company has elected not to prepare a company only income statement and statement of financial position.

Going concern

Based on current trading and projections, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of these consolidated financial statements.

Forecasts and projections underpinning this conclusion included;

- Expected trading performance
- Sale of the Funds division (note 16)
- Reviewing repayment and servicing of borrowings (note 13)
- Regulatory capital requirements
- Potential impact of COVID-19

The Group therefore continues to adopt the going concern basis of accounting in preparing the annual financial statements.

3. Critical judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Accounting judgements are continually reviewed in light of new information and are based on historical experience and other factors, including expectations of future events that are considered to be reasonable under the circumstances.

Critical judgement in applying the Group's accounting policies

The following are the critical judgement at the balance sheet date that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Onerous contracts (note 12)

Onerous contract is one where the unavoidable costs of meeting the obligations under the contract exceed the economic benefit expected to be received under it.
The Group holds a lease acquired in the financial period ended 30 April 2019 as part of a business combination.
The property is not occupied by a revenue generating business and is no longer being used for administrative projects and storage. The property is being actively marketed to sub-let and to developers but no contracts have been signed to date. In determining whether to treat this as an onerous lease, the likelihood of the property remaining entirely vacant for the remaining period of the lease and generating no economic value for the Group is assessed as very high, as such management recommended a provision of £714k at 30 April 2021 and is being release over the course of the lease. If the property is to be let in the near future a portion of this provision will be reversed.

Key sources of estimation uncertainty

Valuation of accrued income

Accrued income arises as a result of timing of the billing cycle and estimates are put into place using past information from client behaviours to achieve a reasonable recovery rate. Accrued income valuation is determined by reference to;

- Historic recovery rates (evidencable from data)
- Target recovery rates
- Comparison to prior period to ensure this is reasonable

Notes to the Consolidated Financial Statements

continued

3. Critical judgements in applying accounting policies and key sources of estimation uncertainty (continued)

Management on a quarterly basis review all billing information and decide on the outcome of whether the amount will be billed in the quarter/ written off based on agreements with clients. There may be an incentive for management to inflate accrued income to increase performance but the short-term nature of the billing cycle being quarterly erodes that risk.

The balance at the end of the financial period/year was £3,666k (2021: £3,285k, 2021 H1: £5,247k) and represents a reduction due to changes in the billing made at the beginning of January 2021.

An increase/decrease of accrued income by 5% would result in a respective gain/charge to profit of £183k.

Impairment of debtors (note 8)

The trade debtors balance in the Group's consolidated statement of financial position comprises many individual balances although on their own not material when aggregated becomes substantial to the Group. An allowance is made for the estimated irrecoverable amounts from debtors on a line-by-line basis.

This is determined by reference to;

- The payment history of the client
- Recent communication with the client
- Knowledge of current client circumstances and future plans

The greatest input to uncertainty comes where there are circumstances beyond the control of a client that may give rise to the debt not being fully recovered. Management have also given consideration to the unusual trading environment presented by COVID-19 and concluded that any impact is highly immaterial to the ultimate recovery of receivables.

The balance provided for at the end of the financial period/ year is £3,536k (2021: £3,679k, 2021 H1: £3,812k) and represents 30% as a portion of debtors with similar level of provision in the prior year.

An increase/decrease of bad debt provision by 5% would result in a respective charge/gain to profit of £182k.

Impairment of intangible assets (note 7)

The Group considers whether intangible assets and/or goodwill are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the fair value less costs to sell of the CGU, and the value in use of the CGU, with the recoverable amount being the higher of these values.

Fair Value

Fair value is estimated using a market sale multiple. As each CGU is a collection of client relationships, a revenue-based sale multiple is used. A default sale multiple is applied and this is then adjusted based on one of more of the following characteristics of the revenue:

- Quantum of the revenue
- Location of the revenue relationships
- Activity of the revenue relationships
- Any other relevant historic characteristics of the revenue

For the six months ended 31 October 2021 the default sale multiple was 2.0 and the costs to sell were estimated at 1% of revenue.

In calculating fair value less costs to sell, the key input is the sale multiple applied. An increase in the sale multiple would result in an increase in the fair value less costs to sell of the CGU. The default sales multiple applied for the six months ended 31 October 2021 was 2.0 based on typical market transactions where a revenue multiple is used for valuation purposes.

The sale multiples applied to Private Equity Services (Amsterdam) BV and Global Forward B.V. and Global Forward Trust B.V. were increased from the default multiple based on the location and services provided, along with the quantum of revenue underpinning each CGU.

Value in use

Value in use is estimated using a discounted cashflow with the following inputs;

- Revenue of the CGU for the latest financial year
- Attrition rate matched to the remaining useful economic life of the CGU
- Weighted average cost of capital (WACC) for the Group
- Gross profit margin of the subsidiary in which the revenue activity occurs

The estimation of useful economic life is performed by management and is based on detailed review of the remaining client relationships. The attrition rate is applied on a straight-line basis. The WACC used for the period ended 31 October 2021 was 8.51% (2021: 8.10%, 2021 H1: 6.06%).

In calculating value in use, the key input is the attrition period determined by reference to the remaining useful economic life. An increase in the useful economic life would result in an increase in the value in use of the CGU.

Management believes that any reasonable possible change in the key assumptions on which the recoverable amounts are based would not cause the aggregate carrying amount to exceed the recoverable amount of the CGUs, except for the sales multiples applied to Private Equity Services (Amsterdam) BV and Global Forward B.V. and Global Forward Trust B.V.

A decrease in the sales multiple of Private Equity Services (Amsterdam) BV to 1.0 would result in an impairment charge of £2.2m being recognised. A decrease in the sales multiple of Global Forward B.V. and Global Forward Trust B.V. to 1.0 would result in an impairment charge of £1.2m being recognised.

Brexit

The Group continues to appraise the resulting impact of the United Kingdom's referendum on EU membership ("Brexit"). Based on management's assessment, the impact of Brexit itself in the global alternatives market is unlikely to damage the overall demand for services. The Group's presence in the EU has benefitted from an increase in demand. The Group therefore believes that it is well protected against any uncertainty with regards to Brexit.

Notes to the Consolidated Financial Statements

continued

4. Segmental reporting

The Group has four reportable segments for the current year: Private Wealth and Corporate (PW & C), Pensions, Funds and Other. No client represents more than 10% of revenue.

The chief operating decision maker in respect of segmental reporting has been identified as the Board of Directors of PraxisIFM Group Limited. Each segment is defined as a set of business activities generating a revenue stream determined by divisional responsibility and the management information reviewed by the Board of Directors. The Board evaluates segmental performance based on gross profit, after the deduction of direct staff costs and direct client costs. Assets and liabilities for each segment are also monitored on an ongoing basis.

For the six months ended 31 October 2021:

	PW & C £'000	Pensions £'000	Funds £'000	Other £'000	Total £'000
Turnover	20,051	2,110	6,990	316	29,467
Staff costs	(8,183)	(753)	(3,356)	(634)	(12,926)
Gross profit	**11,868**	**1,357**	**3,634**	**(318)**	**16,541**
Gross margin	**59%**	**64%**	**52%**	**(101%)**	**56%**
Other operating income					17
Operating expenses					(15,425)
Operating profit					**1,133**

One acquisition was made in the six months ended 31 October 2021. This acquisition was a book of clients and sits within the Private Wealth and Corporate operating segment. The revenue generated by this book in the six months ended 31 October 2021 was £64,242.

For the year ended 30 April 2021:

	PW & C £'000	Pensions £'000	Funds £'000	Other £'000	Total £'000
Turnover	42,437	4,172	12,096	479	59,184
Staff costs	(18,897)	(1,583)	(6,226)	(276)	(26,982)
Gross profit	**23,540**	**2,589**	**5,870**	**203**	**32,202**
Gross margin	**55%**	**62%**	**49%**	**42%**	**54%**
Other operating income					447
Operating expenses					(36,081)
Operating loss					**(3,432)**

No acquisitions were made in the year ended 30 April 2021.

For the six months ended 31 October 2020:

	PW & C £'000	Pensions £'000	Funds £'000	Other £'000	Total £'000
Revenue	21,808	1,881	5,907	229	29,825
Staff costs	(9,589)	(740)	(3,114)	(167)	(13,610)
Gross profit	**12,219**	**1,141**	**2,793**	**62**	**16,215**
Gross margin	**56%**	**61%**	**47%**	**27%**	**54%**
Other operating income					95
Operating expenses					(14,268)
Operating profit					**2,042**

No acquisitions were made in the period ended 31 October 2020.

Geographical information

The Group's revenue from external customers by geographical location of contracting Group entity is detailed below:

	2022 H1 £'000	2021 £'000	2021 H1 £'000
Channel Islands	17,927	35,682	17,745
Rest of Europe	7,121	13,372	6,846
Netherlands	1,647	4,052	1,947
Caribbean	1,733	3,452	1,921
Rest of World	1,039	2,626	1,366
	29,467	**59,184**	**29,825**

5. Staff costs & other direct costs

	2022 H1 £'000	2021 £'000	2021 H1 £'000
Staff salaries	11,763	23,938	11,965
Staff pension contributions	606	1,345	609
Staff health cover	37	448	297
Other direct costs	520	1,251	739
	12,926	**26,982**	**13,610**

Notes to the Consolidated Financial Statements

continued

6. Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its shares.

Basic EPS is calculated by dividing the profit attributable to shareholders by the weighted average number of shares outstanding during the period, less the treasury shares in issue.

Diluted EPS is calculated by dividing the profit attributable to shareholders by the weighted average number of shares outstanding during the period and the dilutive shares related to share options and deferred consideration for which the shares are not already in issue, less the treasury shares in issue.

	2022 H1	2021	2021 H1
Profit/(Loss) for the period/year (£'000)	68	(5,401)	1,086
Weighted average number of shares in issue	112,607,690	112,607,690	112,607,690
Treasury shares held	2,734,982	3,540,350	4,870,023
Basic earnings for continuing operations (pence per share)	**0.3**	**(5.0)**	**1.0**
Basic earnings for discontinued operations (pence per share)	**–**	**–**	**–**
Basic earnings (pence per share)	**0.3**	**(5.0)**	**1.0**
Dilutive shares	74,936	164,918	358,632
Diluted earnings for continuing operations (pence per share)	**0.3**	**(4.9)**	**1.0**
Diluted earnings for discontinued operations (pence per share)	**–**	**–**	**–**
Diluted earnings (pence per share)	**0.3**	**(4.9)**	**1.0**

Share Options Granted and Exercised

In the period from 1 May 2021 to 31 October 2021, no options have been granted, 905,029 have been exercised, 4,773,185 have expired or been cancelled.

Since the end of the period, no options have been granted, no options have been exercised, 879,242 have expired or been cancelled.

7. Intangible assets

	Goodwill £'000	Business Software £'000	Total £'000
Cost			
At 1 May 2021	**60,777**	**1,629**	**62,406**
Purchases (note 15)	239	–	239
Disposals	–	(39)	(39)
Impairments to goodwill	–	–	–
Adjustments to goodwill	–	–	–
FX movement	(304)	1	(303)
At 31 October 2021	**60,712**	**1,591**	**62,303**
Amortisation			
At 1 May 2021	**18,792**	**1,139**	**19,931**
Amortisation for the period	2,247	109	2,356
Disposals	–	(39)	(39)
FX movement	–	–	–
At 31 October 2021	**21,039**	**1,209**	**22,248**
Net book value			
At 31 October 2021	**39,673**	**382**	**40,055**
At 30 April 2021	**41,985**	**490**	**42,475**

Software assets previously included within computer equipment as tangible assets have been reclassified to business software as intangible assets. The depreciation and amortisation profiles of the assets before and after the reclassification are the same.

Should indicators of impairment be identified, a review of the useful economic life of the goodwill is performed and any changes to the useful economic life applied from the beginning of the current financial period.

No indicators of impairment were identified. At 31 October 2021 the recoverable amount for all CGU's is higher than its carrying amount after recognition of impairments.

Notes to the Consolidated Financial Statements
continued

8. Tangible assets

	Computer equipment £'000	Leasehold property and improvements £'000	Furniture, fixtures & fittings £'000	Total £'000
Cost				
At 1 May 2021	**5,821**	**1,995**	**2,119**	**9,935**
Purchases	392	–	30	422
Eliminated on disposal	(117)	–	(111)	(228)
FX movement	(7)	3	(10)	(14)
At 31 October 2021	**6,089**	**1,998**	**2,028**	**10,115**
Depreciation				
At 1 May 2021	**3,943**	**1,469**	**1,550**	**6,962**
Depreciation for the period	409	104	83	596
Eliminated on disposal	(86)	–	(24)	(110)
FX movement	(4)	2	(8)	(10)
At 31 October 2021	**4,262**	**1,575**	**1,601**	**7,438**
Net book value				
At 31 October 2021	**1,827**	**423**	**427**	**2,677**
At 30 April 2021	**1,878**	**526**	**569**	**2,973**

9. Debtors and prepayments

	2022 H1 £'000	2021 £'000	2021 H1 £'000
Trade debtors	11,752	16,622	11,643
Prepayments	2,237	2,729	2,444
Other debtors	1,318	854	1,963
VAT debtor	104	90	147
	15,411	**20,295**	**16,197**

The Group considers all trade debtors over 90 days to be past due. Overdue debtors are reviewed on a line by line basis as information comes to light, and provisions raised where debt recovery has become doubtful. A provision of £3,536,334 (2021: £3,679,225, 2021 H1:£3,812,049) was recognised against trade debtors.

10. Creditors: amounts falling due within one year

	2022 H1 £'000	2021 £'000	2021 H1 £'000
Deferred income	4,434	10,815	4,612
Overdraft	4,399	3,963	7,107
Bank loans (note 13)	4,049	4,656	2,978
Sundry creditors	3,889	3,358	4,480
Taxation	1,485	1,225	926
Wage tax creditor	1,355	1,318	1,128
Trade creditors	561	1,568	1,236
Deferred consideration	431	375	3,924
VAT creditor	405	625	80
Finance leases	12	59	193
	21,020	**27,962**	**26,664**

Deferred income

Deferred income principally relates to annual fees raised in advance relating to the period after the balance sheet date, for which payment has already been received.

Deferred consideration

Deferred consideration relates to the acquisition of Nerine Trust and Abacus.

11. Creditors: amounts falling due after more than one year

	2022 H1 £'000	2021 £'000	2021 H1 £'000
Bank loans (note 13)	11,609	13,400	12,477
Deferred consideration	304	356	408
Finance leases	–	53	38
	11,913	**13,809**	**12,923**

Note 10 provides details of the deferred consideration.

12. Provisions for liabilities

There is one property with lease expiring 31 May 2024 that is no longer being occupied, although actively being marketed for subletting. An onerous lease cost provision has recognised for the full length of the lease.

	Onerous Lease £'000
At 1 May 2021	714
Charged to profit or loss	(83)
At 31 October 2021	**631**

Onerous lease provisions will unwind over the next three years.

Notes to the Consolidated Financial Statements

continued

13. Bank loans

On the 31 May 2018 (subsequently amended and restated on 24 September 2020), PraxisIFM Group Limited (the "Group"), International Fund Management Limited, Praxis Fund Services Limited, Trireme Pension Services (Guernsey) Limited, Confiance Limited, PraxisIFM Trust Limited (Guernsey), PraxisIFM Trust Limited (Jersey), PraxisIFM Europe Limited, Nerine Trust Company Limited and Nerine Trust Company (BVI) Limited (together the "Subsidiaries" and "Guarantors") entered into a Multicurrency Term and Revolving Facilities Agreement (the "Facility") with The Royal Bank of Scotland International Limited ("RBSI"), as Lender.

The Guarantors are jointly and severally liable.

The purpose of the Facility is towards:

a. Financing acquisitions of companies, business and undertakings; and

b. Financing any amounts payable under the existing £3.5m loan and £3.5m overdraft between the Company and the Lender in full; and

c. The general corporate and working capital purposes of the Group (including capital expenditure)

The Facility is comprised of four loans; A, B, C and the Revolver. Loan C was drawn in the year ended 30 April 2021 by converting £5m of the overdraft balance in November 2020.

Bank loans also include two loans held by the PraxisIFM Group Limited Employee Benefit Trust : EBT 1 and EBT 2. Both of these loans are with RBSI.

A breakdown of bank loans at 31 October 2021 is presented below.

Bank Loan	31 October 2021 £'000	30 April 2021 £'000	31 October 2020 £'000	Interest Rate %	Capital Repayment per Quarter £'000	Quarters Remaining £'000
A	1,875	3,125	4,375	LIBOR + 3.75%	625	3
B	5,000	5,000	5,000	LIBOR + 3.75%	–	–
C	3,182	4,091	–	LIBOR + 3.75%	454	7
Revolver	5,000	5,000	5,000	LIBOR + 3.75%	–	–
EBT 1	239	500	500	4.10%	–	–
EBT 2	362	340	580	4.10%	119	3
	15,658	**18,056**	**15,455**			

The Group has complied with the financial covenants of the Facility throughout the period.

On the 3 December 2021, the Group completed the transition of its Multicurrency Term and Revolving Facilities Agreement with The Royal Bank of Scotland International Limited from LIBOR to a risk-free reference rate.

On 4 January 2022, the Group repaid Facility C in full with the proceeds of the Fund Services division sale.

The capital repayment profile of the bank loans of the Group is:

	2022 H1 £'000	2021 £'000	2021 H1 £'000
Within one year	4,049	4,656	2,978
Between one year and two years	1,366	2,441	2,500
Between two years and five years	10,243	10,959	9,977
After five years	–	–	–
	15,658	**18,056**	**15,455**

14. Net debt reconciliation

	1 May 2021 £'000	Cash flows £'000	Acquired £'000	Disposed £'000	Other non-cash changes £'000	31 October 2021 £'000
Cash at bank	15,544	(1,962)	–	–	243	13,825
Bank overdrafts	(3,963)	(436)	–	–	–	(4,399)
Obligations under finance leases	(111)	99	–	–	–	(12)
Bank loans	(18,056)	2,859	–	–	(461)	(15,658)
Net debt	**(6,586)**	**560**	**–**	**–**	**(218)**	**(6,244)**

Other non-cash changes relates to foreign exchange movements on cash at bank and in hand.

There are no restrictions over the use of the cash and cash equivalents balances which comprises cash at bank, and bank overdrafts.

15. Business Combination – Acquisition of Abacus Crew Limited

On 18 June 2021, the Group acquired 100% of Abacus Crew Limited and the client book of Abacus Corporate Services Limited for £232,178, settled in cash. On completion, £174,134 cash was paid, with the remainder being deferred consideration of £58,044 payable over 2 years, to be settled in cash.

The clients were engaged by PraxisIFM Trust (Malta) Limited.

In calculating goodwill arising on acquisition, the fair value of the net assets of Abacus Crew Limited have been assessed and adjustments from book values made where necessary.

	Fair Value £'000
Fixed assets	
Tangible	–
Intangible	–
Current assets	
Debtors	–
Sundry debtors	1
Cash at bank and in hand	3
Total assets	**4**
Creditors	
Due within one year	(1)
Fair value of net assets acquired	**3**
Goodwill	239
Total purchase consideration	**242**
Purchase consideration settled in cash	(174)
Additional cost attributed to acquisition	(10)
Cash outflow on acquisition	**(184)**

Notes to the Consolidated Financial Statements

continued

15. Business Combination – Acquisition of Abacus Crew Limited (continued)

The useful economic life has been estimated to be 10 years.

For the period ended 31 October 2021, four months of the results of Abacus Crew Limited and the client book of Abacus Corporate Services Limited were consolidated.

Abacus Crew Limited had no operating activity in the four months since its effective acquisition. The revenues from the client book of Abacus Corporate Services Limited in the four months since its effective acquisition were £64,242.

16. Post period end events

Sale of Funds Division

On the 3 December 2021, the Group completed the sale of its Fund Services division to Sanne Holdings Limited for a total consideration of £54m, of which £5.5m was deferred until July 2022. The sale includes the Guernsey, Jersey, UK, Malta and Luxembourg Funds businesses.

Return of Capital

On the 14 December 2021, the Group announced its intention to return capital of £40m to shareholders at the earliest opportunity in 2022.

Other than the above there are no other post period end events that require disclosure in these consolidated financial statements.

Company Information

Where appropriate, this report refers to the group of companies controlled by PraxisIFM Group Limited as the "Group".

Directors (the "Board")

Diane Seymour-Williams (Non-Executive Director)

Stephanie Coxon (Non-Executive Director)

Peter Gillson (Non-Executive Director)

Robert Fearis (Executive Director)

Martyn Crespel (Executive Director)

Iain Torrens (Chairman) – appointed 1 September 2021

Brian Morris (Non-Executive Director) – resigned 30 September 2021

Company Secretary

Shona Darling

Registered Office

Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 1GR

Registered Number

30367

Listing Sponsor and Market Maker

Ravenscroft Consultancy and Listing Services Limited, PO Box 222, 20 New Street, St Peter Port, Guernsey, GY1 4JG

Independent Auditors

BDO Limited, PO Box 180, Place du Pré, Rue du Pré, St Peter Port, Guernsey, GY1 3LL

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Registrar and Location of Register of Members

PraxisIFM Group Limited, Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 1GR

Investor Relations

For current shareholder and corporate information, including the Financial Calendar please visit www.praxisifm.com/investor-relations.