**KINGSWOOD HOLDINGS LIMITED**

("Kingswood", the "Company" or the "Group")

**2024 Half year Report**

Kingswood Holdings Limited (AIM: KWG), the international, fully integrated wealth and investment management group, is pleased to announce its unaudited interim financial results for the half year ended 30 June 2024.

**Financial Highlights**

**Continuing Operations:**

* Group Assets under Advice and Management (AUA&M) increased to £12.9bn up c8.2% on the prior year.
  + UK & Ireland (UK&I) Assets under Advice (AUA) at the period end were £6.0bn benefiting from the acquisition of BasePlan completed in February 2024.
  + UK&I Assets under Management (AUM) at the period end were £3.7bn.
  + US AuA was £3.2bn.
* Group Revenue from continuing operations in the period was £40.6m, an increase of 14% on the restated prior year (H1’23: £35.6m).
  + UK&I revenue increased by £0.3m to £23.4m, or 1%, compared to the restated period last year, of which 81% is recurring in nature.
  + US revenue increased by £4.8m to £17.2m, a 38% rise compared to the restated period last year, driven by growth in authorised representatives.
* H1 2024 Group Operating Profit from continuing operations increased to £6.1m, a £1.1m or 21% increase compared to restated H1 2023, reflecting the benefit of acquisitions in the current period.
  + UK&I Operating Profit was £7.9m increased by £0.2m or 3%;
  + US Operating profit grew by 95% to £1.3m (2023: £0.7m), as a result of higher margins in Investment Banking revenues and increased Broker Dealer and Advisory revenues, supported by favourable macroeconomic conditions.
* The statutory loss before tax for the period was £5.9m, an improvement of £3.9m against the restated comparable period last year (H1’23: loss before tax of £9.7m). The statutory loss before tax is stated after:
  + £4.5m of finance costs incurred by the Group during the period on debt facility drawdowns, reflective of the Group’s strategy to use leverage as an accelerant for growth;
  + £1.6m of non-recurring costs, including broker fees on M&A transactions and costs incurred to reposition the business; and
  + Non-cash impacting items of £5.9m included amortisation of intangible assets, finance costs recognised on the unwinding of deferred consideration and preference share dividends.

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| **Continuing operations:** | **H1 2024** | **H1 2023\*** | **Change %** |
| **£000's (unless otherwise stated)** |  |  |  |
| Total Revenue | **40,628** | 35,593 | 14% |
| Group Recurring Revenue % | **42%** | 33% | 27% |
| Operating Profit | **6,117** | 5,055 | 21% |
| Loss before tax | **(5,895)** | (9,747) | 40% |
| Total Equity | **50,904** | 64,806 | (21)% |
| AuM (£m) | **3,731** | 3,686 | 1% |
| AuA (£m) | **9,118** | 8,192 | 11% |
| Number of Advisers – UK & Ireland | **107** | 116 | (8)% |
| Number of Authorised Representatives - US | **265** | **239** | 11% |

*\*\* The Group results for the six months ending 30 June 2023 are restated due to US subsidiary classified as discontinued – see Note 3 and refer to the 2023 Annual Report - Note 1: Presentation of financial statements.*

**Discontinued Operations:**

As previously announced at the time of the Group’s final results on 28 June 2024, the sale of US subsidiary Benchmark Investments, LLC (BMI), that was completed on 9 November 2023, qualified as a discontinued operation. As a result, BMI's financial results for 2022 and 2023 were reclassified and reported separately from continuing operations in the Group annual financial statements for 31 December 2023. To ensure and provide a consistent and comparable view of the Group’s financial performance, the H1 2023 financial results have been similarly restated to reflect BMI as a discontinued operation. As such, BMI's H1 2023 revenues, expenses, assets, and liabilities have been reclassified to discontinued operations.

For H1 2023, BMI generated £27m in revenue and had an operating and net loss before tax of £0.1m and £0.2m respectively. The full impact of this restatement is detailed in the Group’s interim consolidated financial statements below. No items have been presented as discontinued in H1 2024.

**Peter Coleman, Kingswood Chief Executive Officer,** commented:

“I am pleased to share our interim financial results for the 6 month period to 30 June 2024. I am particularly pleased with our strong revenue growth and in particular the growth in recurring revenues, demonstrating that our acquisitions are beginning to mature. Quite rightly our focus is on providing a first-class experience to all of our clients, with the use of our excellent advice community, technology and range of award investment propositions. In particular I am pleased with the ongoing development of our IBOSS range of model portfolios and our in-house DFM both of which continue to flourish within the group. Our operating profit continues to grow, enabling our continued investment in people, propositions and processes all focussed on delivering a market-leading proposition for our clients. In UK&I we continue to be acquisitive with the addition of BasePlan, and we will continue to identify opportunities that enhance our growing business in this market.

In the US we continue to expand with the momentum of advisor recruitment and banking growing exponentially”.

**H1’24 - Strategic Highlights:**

* In February 2024, UK&I successfully completed the purchase of BasePlan, a long established and leading financial advisory firm which has been providing client led financial and retirement planning and wealth management services based in Dublin with €130m AuA.
* To support the Group’s capital and growth agenda, the Group obtained a new unsecured debt facility from funds managed by Pollen Street Capital Limited. £11m of the facility was received in H1 2024 and was utilised to meet the Group’s immediate capital needs and to satisfy deferred payment obligations from previous acquisitions. Post period end, the Group obtained an additional £6.0m facility from funds managed by Pollen Street Capital.
* As announced on 31 May 2024, the Convertible Preference Shares issued by the Group to HSQ Investment Limited (“HSQ”), a wholly owned indirect subsidiary of funds managed and/ or advised by Pollen Street Capital Limited, were converted into 469,263,291 new Ordinary Shares in the Company at the agreed conversion price of 16.5 pence per Ordinary Share. The conversion makes for a clearer capital structure which the Group hopes will be welcomed by investors.
* Despite AuA outflows in the UK following the departure of some wealth advisers, UK&I AuA increased by £0.2bn compared to December 2023 reflecting the completion of the BasePlan acquisition and positive market movements. A swift, diligent recruitment process has replenished our wealth advisory team including the addition of a fourth regional manager to support growth across the London and South-East region.
* Further progress has been made across the UK&I in driving organic growth across our key focus areas:
  + 6 new IFA firms were onboarded onto IBOSS, in line with 2023 levels over the comparable period
  + Institutional growth of c£0.2bn AuM in H1 2024
* 81% of UK revenue is recurring in nature, providing a strong, annuity-style fee stream. Investment Banking fees are a larger proportion of Kingswood US revenues, and transactional in nature, which means that recurring revenue for the Group was 42% up from 33% in 2023.
* Our US footprint further expanded in the first half of the year adding 26 new authorised representatives and supporting growth in our total AuA in Kingswood US to £3.1bn.
* Kingswood US has continued to grow its registered investment advisor/broker dealer (RIA/BD) business organically through the introduction of Kingswood Investments (KI) in Q2 2023, an in-house investment banking and capital markets division to support investment banking capabilities. This addition, combined with the existing teams, positions Kingswood as a comprehensive provider of investment banking services in the US.
* H1 saw three new appointments to the Executive team of Bryan Parkinson, MD of Wealth Planning, Vinoy Nursiah, CFO and Peter Coleman, CEO. The combination of the new joiners with the incumbents of Rachel Bailey, CPO, Paul Hammick, CRO and Lucy Whitehead, CCO has already demonstrated its effectiveness and capability by delivering the following to date: in-person presentations of next strategic phase at all UK locations, delivery of a major project to enhance regulatory performance and efficiency, design and implementation of a new service operating model to improve client and advisor experience, and the creation of five fundamental focus areas to align efforts across the Group. Additionally a major finance transformation project commenced in July and is on track to complete as scheduled in Q4.

*The Kingswood Board believes Operating Profit is the most appropriate indicator to explain the underlying performance of the Group.  The definition of Operating Profit is profit before finance costs, amortisation and depreciation, gains and losses, and exceptional costs (business re-positioning and transaction costs)*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| £’000 (unless otherwise stated) | **H1'24** | **H1'23 (restated)\*** | **Change %** | **Change £** |
|  |  |  |  |  |
| **Total Group Revenue** | **40,628** | **35,593** | **14%** | **5,035** |
| Wealth Planning | 15,313 | 16,715 | (8)% | (1,402) |
| Investment Management | 4,141 | 3,917 | 6% | 224 |
| Kingswood Ireland | 3,970 | 2,533 | 57% | 1,437 |
| Kingswood US | 17,204 | 12,428 | 38% | 4,776 |
|  |  |  |  |  |
| **Group Recurring Revenue** | **42%** | 33% |  |  |
|  |  |  |  |  |
| **Division Operating Profit:** |  |  |  |  |
| Kingswood UK&I | 7,961 | 7,729 | 3% | 232 |
| Kingswood US | 1,331 | 681 | 95% | 650 |
|  | **9,292** | **8,410** | **10%** | **882** |
| Central Costs | (3,175) | (3,355) | 5% | 180 |
| **Total Group Operating Profit** | **6,117** | **5,055** | **21%** | **1,062** |
|  |  |  |  |  |
| £’000 (unless otherwise stated) | **H1'24** | **H1'23 (restated)** | **Change %** | **Change £** |
| Total Equity | 55,910 | 64,806 | 14% | (8,986) |
| Total Cash | 15,459 | 22,939 | (33)% | (7,480) |
|  |  |  |  |  |
| **Key Metrics** |  |  |  |  |
| AuM (£m) | 3,731 | 3,686 | 1% | 45 |
| AuA (£m) | 9,118 | 8,192 | 11% | 926 |
|  |  |  |  |  |
| # of UK&I Advisers | 107 | 116 | (8)% | (9) |
| # of US RIA/IBD reps | 265 | 239 | 11% | 26 |

*\* The Group results for the six months ending 30 June 2023 are restated due to US subsidiary classified as discontinued – see Note 3 and refer to the 2023 Annual Report - Note 1: Presentation of financial statements.*

**Outlook**

In our 2023 Annual Report we stated that in the medium term, we had a strategic objective to grow the Group so as to target Group operating profit of £25m with AuM/A of £20bn. Despite difficult conditions, we have made strong progress against this objective and at 30 June 2024 our AUM/A stands at £12.8bn with AuA at £9.1bn (£8.8bn at December 2023) and AuM at £3.7bn (£3.5bn at December 2023).

We remain confident in the success of our ambitious long-term growth strategy, grounded in supporting our clients to protect and grow their wealth. We also continue to invest in a range of lead generation and digital tools to widen reach to new and younger demographics.

In the UK and Ireland, our strategic focus continues to be on five key areas:

1. Market-leading client service (“always put clients first”)
2. Organic growth (“look after more of our clients needs")
3. Operational excellence (“make it easy to do business”)
4. Recruitment, development and retention of best in class people (“happy and productive colleagues”)
5. Have a sustainable and successful commercial business.

In the US, our strategic focus is on:

1. Continuing the growth trajectory through expansion of RIA/ BD activity including additional activities approved by FINRA. This includes expanding employment and office operations and engaging in research activities.

2. Leveraging technology integration to increase market presence and strengthen capabilities.

3. Increasing opportunities within investment banking operations and pursuing selective acquisitions

**For further details, please contact:**

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| **Company Registration No. 42316 (Guernsey)** |
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| **KINGSWOOD HOLDINGS LIMITED** |
|  |
| **CONSOLIDATED INTERIM UNAUDITED FINANCIAL STATEMENTS** |
|  |
| **FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2024** |

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**Group Review:**

The Group has continued to build momentum in 2024 and revenue and operating profit have grown due to favourable market conditions, despite higher levels of adviser and consequently client attrition. Our business continues to grow organically in both the UK and US and our acquisition activity is slowing down, as planned. We have a new strong leadership team that is driving tangible results and realising our ambition to become a leading fully integrated international wealth & investment management business.

**Finance Review:**

Our focus is to maximise shareholder returns through Operating Profit growth combined with minimising our weighted average cost of capital. We also continue to maintain a strong discipline in how we think about the businesses we acquire, ensuring that the multiples we pay are within our risk appetite and funding profile.

Kingswood’s financial performance remained resilient in H1’24 against a continued backdrop of market volatility and at 30 June 2024 our AuA now stands at £9.1bn (£8.8bn at December 2023) and AuM £3.7bn (£3.5bn at December 2023) respectively.

Group revenue for the period was £40.6m, reflecting a 14% year-on-year increase. In the UK&I a modest 1% revenue growth was achieved, despite outflows from the Company's UK Assets under Advice following the departure of several wealth advisors. This was offset by positive market performance and an increase in Assets under Advice in Ireland, driven by our first “bolt-on acquisition,” Baseplan which completed in February 2024. In the US, our footprint further expanded in the first half of the year adding 26 new registered representatives and supporting growth in our total AuA in Kingswood US to £3.1bn. Investment Banking revenues in the US also rose due to the in-house Investment Banking and Capital Markets division launched in the previous year, which is now delivering measurable impact.

Operating Profit of £6.1m is 10% higher than 2023, driven by a £0.7m increase in US profits and continued acquisition and organic growth in the UK&I. Central costs have decreased by 5% reflecting continued prudence across the Group in the management of its cost base.

The overall result for H1’24 was a loss before tax of £5.9m reflecting £0.7m of acquisition-related deferred consideration expenses, £2.6m amortisation and depreciation, £7.2m finance costs and £1.5m business re-positioning and transaction costs.

The Group had £15.5m of cash as at H1’24, a decrease of £7.5m since 31 December 2023 mostly due to cash outflows to satisfy finance costs and deferred payment obligations on previous acquisitions undertaken by the Company.

In the medium term, we continue to target a Group operating profit of £25m with AuM/A of £20bn. Despite difficult conditions, we have made strong progress against this objective and on 30 June 2024 our AUM/A stands at £12.8bn with AuA at £9.1bn (£8.8bn at December 2023) and AuM at £3.7bn (£3.5bn at December 2023).

We remain confident in our long-term growth strategy, focused on helping clients protect and grow their wealth. We continue to invest in lead generation and digital tools to expand our reach to new and younger demographics.

**Highlights – UK & Ireland:**

We have continued to build momentum on our strategic growth plans over the first half of the year, following the acquisition of our first “bolt-on acquisition,” Baseplan. A retirement planning advice firm based in Dublin, Ireland, following regulatory approval in February 2024. Based in Dublin, Ireland, BasePlan is a long established and leading financial advisory firm which has been providing client led financial and retirement planning and wealth management services for over 30 years. The BasePlan acquisition increased the Group’s assets under management by €130m during the period and its contribution in the period was c.£0.25m. MMPI's acquisition of BasePlan formed an expected part of Kingswood's acquisition of MMPI in March 2023 and is a highly strategic acquisition for the Group providing access to the attractive Irish wealth management market whilst also offering diverse new avenues for growth.

In UK&I, our strategy centres on five focal areas: always putting clients first; looking after more of our clients needs; making it easy to do business; happy and productive clients, and; having a sustainable and successful commercial business.

**Highlights - US:**

The US business continues to place a strong emphasis on maintaining a robust recruitment pipeline for new advisers, with a specific focus on cultivating reliable and recurring revenue streams through the management of c$3.9 billion of client assets. The first half of 2024 marked another period of growth and business expansion for Kingswood US, with the addition of 26 new authorised representatives, which further expanded our U.S. footprint.

In H1 2024, US revenue grew by £4.8m, a 38% increase compared to the same period last year. This was fuelled by an 11% growth in the number of authorised representatives, contributing an additional c$0.8bn in AuA. AuA in the US at 30 June 2024 was £3.2bn (2023: £3.1bn). Operating profit surged by 95% year-on-year to £1.3m (2023: £0.7m), driven by higher profit margins earned on Investment Banking revenues and healthy increases in both Broker Dealer and Advisory Revenues supported by to more favourable macroeconomic conditions in H1 2024 compared to H1 2023.

We continued to expand our in-house Investment Banking offering, which focuses primarily on providing access to capital for mid-market businesses that are undergoing varying degrees of operational, financial or market-driven change. As a result, we have seen the profitability on the deals closed increase in H1 2024 and we see this trend continuing as we continue to build our investment banking team and deal flow through to the end of 2024.

The expansion of our team of seasoned professionals, all of whom bring relevant industry relationships and a broad network of internal and external operating resources has strengthen client businesses and enhanced value. Streamlined back-office processes and regulatory oversight while delivering an improved experience to advisors and their clients have been a contributing factor to increased profit margins.

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|  | | | | | **Six months to** | | |  | **Six months to** | | | | | | **Year ended** | | | | | |  |
|  | | | | | **30 June 2024** | | |  | **30 June 2023** | | | | | | **31 Dec 2023** | | | | | |  |
|  | | | | | **(unaudited)** | | |  | **(unaudited)** | | | | | | **(audited)** | | | | | |  |
|  | | | | |  | | |  | **(restated)\*** | | | | | |  | | | | | |  |
|  | | | | **Notes** | **£'000** | | |  | **£'000** | | | | | | **£'000** | | | | | |  |
|  | | | | | | | | | | | | | | | | | | | | | |
| **Revenue** | | | | **6** | 40,628 | | |  | 35,593 | | | | | | 86,160 | | | | | |  |
| Cost of sales | | | |  | | (14,198) | |  | | (11,851) | | | | (35,487) | | | | | | | |
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| **Gross profit** | | | |  | 26,430 | | |  | 23,742 | | | | | | 50,673 | | | | | |  |
|  | | | | | | | | | | | | | | | | | | | | | |  | | |  | | |  | |  | |
| Administration expenses | | | |  |  | (20,313) | |  | | (18,687) | | | | (39,857) | | | | | | | |
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| **Operating profit** | | | |  | 6,117 | | |  | 5,055 | | | | | | 10,816 | | | | | |  |
|  | | | | | | | | | | | | | | | | | | | | | |  | | |  | | |  | |  | |
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| *Non-operating costs:* | | | |  | | | | | | | | | | | | | | | | | |  | | | |  | | |  | |
| Business re-positioning costs | | | |  | | (130) | |  | | (369) | | | | (1,894) | | | | | | | |
| Finance costs | | | |  |  | (7,227) | |  | | (7,138) | | | | (12,966) | | | | | | | |
| Other finance costs | | | |  | | (2,634) | |  | | (2,936) | | | | (6,046) | | | | | | | |
|  | | | | | | | | | | | | | | | | | | | | | |  | | |  | | |  | |  | |
| *Acquisition-related items:* | | | |  | | | | | | | | | | | | | | | | | |  | | | |  | | |  | |
| Other (losses) / gains | | | | **8** | 254 | | |  | -  - | | | | | |  | 131 | | | | | | | |
| Remuneration charge (deferred consideration) | | | | **11** | (704) | | |  | (259) | | | | | |  | (474) | | | | | | | |
| Transaction cost | | | |  | (1,571) | | |  | | (4,100) | | | | | | | (2,828) | | | | |
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| **Loss before tax** | | | |  | | (5,895) | |  | | (9,747) | | | | | | | (13,261) | | | | |
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| Tax | | | |  |  | (148) | |  | (175) | | | | | | | | |  | (2,705) | | |
|  | |  | | | | |  |  | | | |  | | |  | | | | |  | |  | | |  | | |  | |  | |
| **Loss after tax from continuing operations** | | | |  | | (6,043) | |  | | (9,922) | | | | | | | (15,966) | | | | |
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| Loss from discontinued operations | | | |  | | - | |  | (172) | | | | | | | | | (636) | | | |  |
|  | | | | | | | | | | | | | | | | | | | | | |  | | |  | | |  | |  | |
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| **Total comprehensive loss** | | | |  | | (6,043) | |  | | (10,094) | | | | | | | (16,602) | | | | |
|  | | | | | | | | | | | | | | | | | | | | | |  | | |  | | |  | |  | |
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|  | | **Six months to** | |  | | **Six months to** | | **Year ended** | |  |
|  | | **30 June 2024** | |  | | **30 June 2023** | | **31 Dec 2023** | |  |
|  | | **(unaudited)** | |  | | **(unaudited)** | | **(audited)** | |  |
|  | |  | |  | | **(restated\*)** | |  | |  |
|  | | **£'000** | |  | | **£'000** | | **£'000** | |  |
|  | | | | | | | | | | |
| - Owners of the parent company |  | | (6,853) | |  | | (10,537) | | (18,233) | |
| - Non-controlling interests |  | 810 | |  | | 443 | | 1,631 | |  |
|  | | | | | | | | | | |
| **Total comprehensive loss is attributable to:** | |  | | | | | | | | |
| - Owners of the parent company |  | | (6,853) | |  | | (10,537) | | (18,233) | |
| - Non-controlling interests |  | 810 | |  | | 443 | | 1,631 | |  |
|  | | | | | | | | | | |
| **Loss per share:** |  | | | | | | | | | |
| - Basic loss per share – continuing operations | **9** | £ (0.01) | |  | | £ (0.05) | | £ (0.08) | |  |
| - Diluted loss per share – continuing operations | **9** | £ (0.01) | |  | | £ (0.01) | | £ (0.02) | |  |
|  | | | | | | | | | | |
|  | | | | | | | | | | |
| The Basic and diluted loss per share from discontinued operations was £0.00 (2023: £0.00) | | | | | | | | | | |
|  | | | | | | | | | | |
| \* 30 June 2023 results are restated due to a business classified as discontinued operations – see Note 3 | | | | | | | | | | |
|  | | | | | | | | | | |
| The notes on pages 9 -28 form an integral part of the financial statements. | | | | | | | | | |  |

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|  | | | **30 Jun 2024** | | | **30 Jun 2023** | | | **31 Dec 2023** | | |  |
|  | | | **(unaudited)** | | | **(unaudited)** | | | **(audited)** | | |  |
|  | | |  | | | **(restated\*)** | | |  | | |  |
|  | | | | | | | | | | | | |
|  | **Notes** |  | **£'000** | | | **£'000** | | | **£'000** | | |  |
| **Non-current assets** | | | | | |  | | | | | | |
| Property, plant and equipment |  |  | 606 | | | 893 | | | 770 | | |  |
| Right-of-use assets |  |  | 2,782 | | | 3,298 | | | 3,236 | | |  |
| Goodwill and other intangible assets | **10** |  | 149,148 | | | 148,658 | | | 146,405 | | |  |
| Deferred tax asset |  |  | 2,066 | | | 4,492 | | | 2,058 | | |  |
|  | | | | | | | | | | | | |
|  | | | | |  |  | |  |  | |  |  |
|  | | | | | | | | | | | | |
|  | | | 154,602 | | | 157,341 | | | 152,469 | | |  |
| **Current assets** |  | | | | | | | | | | | |
| Short term investments |  | | 72 | | | 49 | | | 72 | | |  |
| Assets held for sale |  | | - | | | 3,541 | | | - | | |  |
| Trade and other receivables |  |  | 10,492 | | | 8,049 | | | 14,295 | | |  |
| Cash and cash equivalents |  |  | 15,459 | | | 22,939 | | | 18,704 | | |  |
|  | | | | | | | | | | | | |
|  | | | | |  |  | |  |  | |  |  |
|  | | | | | | | | | | | | |
|  | | | 26,023 | | | 34,578 | | | 33,071 | | |  |
|  | | | | | | | | | | | | |
|  | | | | |  |  | |  |  | |  |  |
|  | | | | | | | | | | | | |
| **Total assets** | |  | 180,625 | | | 191,919 | | | 185,540 | | |  |
|  | | | | | | | | | | | | |
|  | | | | |  |  | |  |  | |  |  |
|  | | | | | | | | | | | | |
| **Current liabilities** |  | | | | | | | | | | | |
|  | | | | | | | | | | | | |
| Trade and other payables |  |  | 9,363 | | | 11,334 | | | 15,654 | | |  |
| Liabilities associated with assets held for sale |  |  | - | | | 2,558 | | | - | | |  |
| Deferred consideration payable | **11** |  | 17,629 | | | 15,513 | | | 23,905 | | |  |
|  | | | | | | | | | | | | |
|  | | | | |  |  | |  |  | |  |  |
|  | | | | | | | | | | | | |
|  | | | 26,992 | | | 29,405 | | | 39,559 | | |  |
| **Non-current liabilities** |  | | | | | | | | | | | |
| Deferred consideration payable | **11** |  | 501 | | | 12,559 | | | 2,369 | | |  |
| Other non-current liabilities |  |  | 1,982 | | | 2,519 | | | 2,358 | | |  |
| Loans and borrowings |  |  | 77,611 | | | 64,984 | | | 62,879 | | |  |
| Deferred tax liability |  |  | 17,629 | | | 17,646 | | | 17,476 | | |  |
|  | | | | | | | | | | | | |
|  | | | | |  |  | |  |  | |  |  |
|  | | | | | | | | | | | | |
| **Total liabilities** | |  | 124,715 122,038  88 | | | 127,113 | | | 124,641 | | |  |
|  | | | | | | | | | | | | |
|  | | | | |  |  | |  |  | |  |  |
|  | | | | | | | | | | | | |
| **Net assets** | |  | 55,910 **55,910** | | | 64,806 | | | 60,899 | | |  |
|  | | | | | | | | | | | | |
|  | | | | |  |  | |  |  | |  |  |
|  | | | | | | | | | | | | |
| **Equity** |  | | | | | | | | | | | |
| Share capital | **12** |  | 34,309 | | | 10,846 | | | 10,846 | | |  |
| Share premium | **12** |  | 54,911 | | | 8,224 | | | 8,224 | | |  |
| Preference share capital | **13** |  | - | | | 70,150 | | | 70,150 | | |  |
| Other reserves |  |  | 18,717 | | | 16,168 | | | 17,423 | | |  |
| Foreign exchange reserve |  | | (1,020) | | |  | (1,087) (1,087) | | | (778) | |  |
| Retained earnings |  |  | | (56,013) | | | (42,132) (42,132) | | | (49,162) (49,162) | | |
|  | | | | | | | | | | | | |
|  | | | | |  |  | |  |  | |  |  |
|  | | | | | | | | | | | | |
| **Equity attributable to the owners of the Parent Company** | | | 50,904 | | | 62,169 | | | 56,703 | | |  |
|  | | | | | | | | | | | | |
| Non-controlling interests (NCI) |  | | 5,006 | | | 2,637 | | | 4,196 | | |  |
|  | | | | | | | | | | | | |
|  | | | | |  |  | |  |  | |  |  |
|  | | | | | | | | | | | | |
| **Total equity** | |  | 55,910 | | | 64,806 | | | 60,899 | | |  |
|  | | | | | | | | | | | | |
|  | | | | |  |  | |  |  | |  |  |

|  |  |
| --- | --- |
| \* 30 June 2023 results are restated due to a business classified as discontinued operations – see Note 3 | |
|  | |
| The notes on pages 9 - 28 form an integral part of the financial statements. | |
|  | |
| The financial statements of Kingswood Holdings Limited (registered number 42316) were approved and authorised for issue by the Board of Directors, and signed on its behalf by: | |
| David Hudd | |
| Chairman |  |
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|  |  |
| Date: 30th September 2024 |  |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Share capital** | |  | | | | **Foreign** | | | |  | | | |  | | | **Equity attributable to the**  **owners of** | | | **Non-** | | |  | | | |
| **and share** | | **Preference** | | | | **currency** | | | | **Other** | | | | **Retained** | | | **the parent** | | | **controlling** | | |
| **premium** | | **share capital reserve** | | | | | | | | **reserves** | | | | **earnings** | | | **Company** | | | **interests** | | | **Total equity** | | | |
| **£ 000** | | **£ 000** | | | | **£ 000** | | | | **£ 000** | | | | **£ 000** | | | **£ 000** | | | **£ 000** | | | **£ 000** | | | |
| Balance at 1 January 2023 | 19,070 | | 70,150 | | | | (422) | | | | 14,373 | | | | (31,595) | | | 71,576 | | | 2,391 | | | 73,967 | | | |
| Loss for the period | - | | - | | | | - | | | | - | | | | (10,537) | | | (10,537) | | | 443 | | | (10,094) | | | |
| Other adjustment | - | | - | | | | - | | | | - | | | | - | | | - | | | (197) | | | (197) | | | |
| Share based remuneration | - | | - | | | | - | | | | 498 | | | | - | | | 498 | | | - | | | 498 | | | |
| Preference share capital reserve | - | | - | | | | - | | | | 1,297 | | | | - | | | 1,297 | | | - | | | 1,297 | | | |
| Foreign exchange gain |  | - |  |  |  | - |  |  |  | (665) |  |  | - |  |  |  | - |  |  | (665) |  |  | - |  |  | (665) |
| **At 30 June 2023** |  | **19,070** |  |  |  | **70,150** |  |  |  | **(1,087)** |  |  | **16,168** |  |  |  | **(42,132)** |  |  | **62,169** |  |  | **2,637** |  |  | **64,806** |
| (Loss)/profit for the year |  | - |  |  |  | - |  |  |  | - |  |  | - |  |  |  | (7,696) |  |  | (7,696) |  |  | 1,188 |  |  | (6,508) |
| Other adjustment |  | - |  |  |  | - |  |  |  | - |  |  | - |  |  |  | 666 |  |  | 666 |  |  | 371 |  |  | 1,037 |
| Share based remuneration |  | - |  |  |  | - |  |  |  | - |  |  | (42) |  |  |  | - |  |  | (42) |  |  | - |  |  | (42) |
| Preference share capital reserve |  | - |  |  |  | - |  |  |  | - |  |  | 1,297 |  |  |  | - |  |  | 1,297 |  |  | - |  |  | 1,297 |
| Foreign exchange gain/(loss) |  | - |  |  |  | - |  |  |  | 309 |  |  | - |  |  |  | - |  |  | 309 |  |  | - |  |  | 309 |
| **At 31 December 2023** |  | **19,070** |  |  |  | **70,150** |  |  |  | **(778)** |  |  | **17,423** |  |  |  | **(49,162)** |  |  | **56,703** |  |  | **4,196** |  |  | **60,899** |
| (Loss)/profit for the year |  | - |  |  |  | - |  |  |  | - |  |  | - |  |  |  | (6,853) |  |  | (6,853) |  |  | 810 |  |  | (6,043) |
| Other adjustment |  | - |  |  |  | - |  |  |  | - |  |  | - |  |  |  | 2 |  |  | 2 |  |  | - |  |  | 2 |
| Share based remuneration |  | - |  |  |  | - |  |  |  | - |  |  | 131 |  |  |  | - |  |  | 131 |  |  | - |  |  | 131 |
| Preference share conversion |  | 70,150 |  |  |  | (70,150) |  |  |  | - |  |  | - |  |  |  | - |  |  | - |  |  | - |  |  | - |
| Preference share capital reserve |  | - |  |  |  | - |  |  |  | - |  |  | 1,163 |  |  |  | - |  |  | 1,163 |  |  | - |  |  | 1,163 |
| Foreign exchange gain/(loss) |  | - |  |  |  | - |  |  |  | (242) |  |  | - |  |  |  | - |  |  | (242) |  |  | - |  |  | (242) |
| **At 30 June 2024** |  | **89,220** |  |  |  | **-** |  |  |  | **(1,020)** |  |  | **18,717** |  |  |  | **(56,013)** |  |  | **50,904** |  |  | **5,006** |  |  | **55,910** |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | | **Period** | | |  | | **Period** | | |  | | **Year ended** | | |  |
|  | | | **30 Jun 2024** | | |  | | **30 Jun 2023** | | |  | | **31 Dec 2023** | | |  |
|  | | | **(unaudited)** | | |  | | **(unaudited)** | | |  | | **(audited)** | | |  |
|  |  | |  | | |  | | **\*(restated)** | | |  | |  | | |  |
|  | **Notes** | | **£'000** | | |  | | **£'000** | | |  | | **£'000** | | |  |
|  | | | | | | | | | | | | | | | | |
| **Net cash generated from / (used in) operating activities** | **14** | |  | 2,828 | | |  | 3,852 | | |  | | 4,593 | | |  |
|  | | | | | | | | | | | | | | | | |
| **Investing activities** | |  | | | | | | | | | | | | | | |
| Property, plant and equipment purchased |  | | | (36) | | |  | | (99) | | |  | | (136) | | |
| Acquisition of investments |  | | | (3,483) | | |  | (28,458) | | |  | | | (24,776) | | |
| Goodwill adjustment - additional consideration |  | | | (1,546) | | |  |  | | |  | | |  | | |
| Proceeds from the disposal of a subsidiary, net of cash disposed |  | | | - | | |  | - | | |  | | | 946 | | |
| Deferred consideration and  remuneration |  | | | (10,554) | | |  | (6,953) | | |  | | | (9,638) | | |
|  | | | | | | | | | | | | | | | | |
|  | | | | |  |  | | | |  |  | | | |  |  |
|  | | | | | | | | | | | | | | | | |
| **Net cash used in investing activities** |  | | | (15,619) | | |  | | (35,510) | | |  | | (33,604) | | |
|  | | | | | | | | | | | | | | | | |
| **Financing activities** | | |  | | | | | | | | | | | | | |
| Interest paid |  | | | (4,204) | | |  | | (3,565) | | |  | | (5,910) | | |
| Lease payments |  | | | (394) | | |  | | (430) | | |  | | (940) | | |
| Dividends paid to non-controlling interests |  | | - | | |  | | - | | |  | | | (491) | | |
| New loans (repaid) / loans received |  | | | 14,000 | | |  | 40,607 | | |  | | 39,025 | | |  |
|  | | | | | | | | | | | | | | | | |
|  | | | | |  |  | | | |  |  | | | |  |  |
|  | | | | | | | | | | | | | | | | |
| **Net cash (used in)/generated from financing activities** |  | | | 9,402 | | |  | 36,612 | | |  | | 31,684 | | |  |
|  | | | | | | | | | | | | | | | | |
|  | | | | |  |  | | | |  |  | | | |  |  |
|  | | | | | | | | | | | | | | | | |
| **Net (decrease)/increase in cash and cash equivalents** |  | | | (3,388) | | |  | 4,954 | | |  | | 2,673 | | |  |
|  | | | | | | | | | | | | | | | | |
| Cash and cash equivalents at beginning of Period | | | 18,704 | | |  | | 19,624 | | |  | | 16,726 | | |  |
| Cash transferred to asset held for sale/cash flows from discontinued operations | |  | - | | |  | | (1,187) | | |  | | - | | |  |
| Effect of foreign exchange rates | |  | 143 | | |  | | (452) | | |  | | (695) | | |  |
|  | | | | | | | | | | | | | | | | |
|  | | | | |  |  | | | |  |  | | | |  |  |
|  | | | | | | | | | | | | | | | | |
| **Cash and cash equivalents at end of Period** |  | | 15,459 | | |  | | 22,939 | | |  | | 18,704 | | |  |
|  | | | | | | | | | | | | | | | | |
|  | | | | |  |  | | | |  |  | | | |  |  |
|  | | | | | | | | | | | | | | | | |
|  | | | | | | | | | | | | | | | | |
| \* 30 June 2023 results are restated due to a business classified as discontinued operations – see Note 3 | | | | | | | | | | | | | | | | |
|  | | | | | | | | | | | | | | | | |
| The notes on pages 9 - 28 form an integral part of the financial statements. | | | | | | | | | | | | | | | |  |

|  |  |
| --- | --- |
| **1** | **General information** |
|  | Kingswood Holdings Limited is a company incorporated in Guernsey under The Companies (Guernsey) Law, 2008. The shares of the Company are traded on the AIM market of the London Stock Exchange (ticker symbol: KWG). The nature of the Group’s operations and its principal activities are set out in the Strategic Report. Certain subsidiaries in the Group are subject to the FCA’s regulatory capital requirements and therefore required to monitor their compliance with credit, market and operational risk requirements, in addition to performing their own assessment of capital requirements as part of the ICAAP. |
|  |  |
| **2** | **Basis of accounting** |
|  | The Group’s interim condensed consolidated financial statements are prepared and presented in accordance with IAS 34 ‘Interim Financial Reporting’. The accounting policies adopted by the Group in the preparation of its 2024 interim report are consistent with those disclosed in the annual financial statements for the year ended 31 December 2023.  The information relating to the six months ended 30 June 2024 and the six months ended 30 June 2023 do not constitute statutory financial statements and has not been audited. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s most recent annual financial statements for the year ended 31 December 2023. |
|  |  |
| **3** | **Restatement of Prior Period Results** |
|  | In the annual financial statements for 31 December 2023, Note 2 made reference to a reclassification restatement to the prior year reported figures, as a result of the sale of subsidiary BMI which completed on 9 November 2023. The sale qualified as a discontinued operation under IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations” and therefore the results of BMI for the year ending 2023 and 2022 were segregated from continuing operations and disclosed separately. As such, to provide a consistent and comparable view of the Group’s financial performance for the six months ending 30 June 2024, equivalent restatements have been made in respect of the 30 June 2023 figures. The restatement involves reclassifying BMI's revenues, expenses, assets, and liabilities from continuing operations to discontinued operations for the six months ending 30 June 2023. The effect of the restatement on the Group’s interim statement of financial position and statement of comprehensive income in respect of the comparative amounts for the six months ending 30 June 2023 is set out below: |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | | | **Six months ending**  **30 June 2023** |  | **Adjustment for** |  | **Six months ending**  **30 June 2023** |
|  | | | | **As reported**  **(unaudited)** |  | **Discontinued Operations** |  | **Restated**  **(unaudited)** |
|  | | | | **£ 000** |  | **£ 000** |  | **£ 000** |
| **Revenue** | | | | 62,730 |  | (27,137) |  | 35,593 |
| Cost of sales | | | | (37,314) |  | 25,463 |  | (11,851) |
| **Gross Profit** | | | | 25,416 |  | (1,674) |  | 23,742 |
| Administrative expenses | | | | (20,451) |  | 1,764 |  | (18,687) |
| **Operating profit/(loss)** | | | | 4,965 |  | 90 |  | 5,055 |
| Business re-positioning costs | | | | (369) |  | - |  | (369) |
| Finance costs | | | | (7,138) |  | - |  | (7,138) |
| Other Finance costs | | | | (2,957) |  | 21 |  | (2,936) |
| Transaction costs | | | | (4,161) |  | 61 |  | (4,100) |
| Remuneration charge (deferred consideration) | | | | (259) |  | - |  | (259) |
| **Loss before tax** | | | | (9,919) |  | 172 |  | (9,747) |
| Income tax receipt/(expense) | | | | (175) |  | - |  | (175) |
| **Loss for the year net of tax reclassified to discontinued operations** | | | |  |  | (172) |  | (172) |
| **Loss for the year from continuing operations** | | | | (10,094) |  | - |  | (10,094) |
|  |  |  |  |  | |  | | |
|  | | | | | | | | |
| **3 Restatement of Prior Period Results (continued)** | | | | | | | | |
|  | | | | **At 30 June 2023** |  | **Adjustment for** |  | **At 30 June 2023** |
|  | | | | **As Reported**  **(unaudited)** |  | **Discontinued Operations** |  | **Restated**  **(unaudited)** |
|  | | | | **£ 000** |  | **£ 000** |  | **£ 000** |
| Property, plant and equipment | | | | 916 |  | (23) |  | 893 |
| Right of use assets | | | | 3,298 |  | - |  | 3,298 |
| Intangible assets and goodwill | | | | 148,658 |  | - |  | 148,658 |
| Deferred tax asset | | | | 4,492 |  | - |  | 4,492 |
|  | | | |  |  |  |  |  |
| **Total non-current assets** | | | | **157,364** |  | **(23)** |  | **157,341** |
|  | | | |  |  |  |  |  |
| Trade and other receivables | | | | 10,380 |  | (2,331) |  | 8,049 |
| Cash and cash equivalents | | | | 24,126 |  | (1,187) |  | 22,939 |
| Assets held for sale | | | | - |  | 3,541 |  | 3,541 |
| Short term investments | | | | 49 |  | - |  | 49 |
|  | | | |  |  |  |  |  |
| **Current Assets** | | | | **34,555** |  | **23** |  | **34,578** |
|  | | | |  |  |  |  |  |
| **Total Assets** | | | | **191,919** |  | **-** |  | **191,919** |
|  | | | |  |  |  |  |  |
| Trade and other payables | | | | (13,892) |  | 2,558 |  | (11,334) |
| Liabilities associated with assets held for sale | | | | - |  | (2,558) |  | (2,558) |
| Deferred consideration | | | | (15,513) |  | - |  | (15,513) |
|  | | | |  |  |  |  |  |
| **Current liabilities** | | | | **(29,405)** |  | **-** |  | **(29,405)** |
|  | | | |  |  |  |  |  |
| **Total non-current liabilities** | | | | **(97,708)** |  | **-** |  | **(97,708)** |
|  | | | |  |  |  |  |  |
| **Total liabilities** | | | | **(127,113)** |  | **-** |  | **(127,113)** |
|  | | | |  |  |  |  |  |
| **Total equity** | | | | **(64,806)** |  | **-** |  | **(64,806)** |
|  | | | |  |  |  |  |  |
|  | | | |  |  |  |  |  |

|  |  |
| --- | --- |
| **4** | **Accounting policies** |
|  | |
| **4.1** | **Changes in significant accounting policies** |
|  | The Group has applied the same accounting policies and methods of computation in its interim consolidated financial statements as in its 2023 annual financial statements. |
|  | |
| **4.2** | **Significant accounting policies** |
|  | |
|  | **Going concern** |
|  | The Directors review the going concern position of the Group on a regular basis as part of the monthly reporting process which includes consolidated management accounts and cash flow projections and have, at the time of approving the financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements. |
|  | |
|  | **Revenue recognition** |
|  | |
|  | *Performance obligations and timing of revenue recognition* |
|  | The majority of the Group’s UK revenue, being investment management fees and ongoing wealth advisory, is derived from the value of funds under management / advice, with revenue recognised over the period in which the related service is rendered. This method reflects the ongoing portfolio servicing required to ensure the Group’s contractual obligations to its clients are met. This also applies to the Group’s US Registered Investment Advisor (“RIA”) business. |
|  | |
|  | For certain commission, fee-based and initial wealth advisory income, revenue is recognised at the point the service is completed. This applies in particular to the Group’s US Independent Broker Dealer (“IBD”) services, and its execution-only UK investment management. There is limited judgement needed in identifying the point such a service has been provided, owing to the necessity of evidencing, typically via third-party support, a discharge of pre-agreed duties. |

|  |  |
| --- | --- |
|  | The US division also has significant Investment Banking operations, where commission is recognised on successful completion of the underlying transaction. |
|  | |
|  | *Determining the transaction price* |
|  | Most of the Group’s UK revenue is charged as a percentage of the total value of assets under management or advice. For revenue earned on a commission basis, such as the US broker dealing business, a set percentage of the trade value will be charged. In the case of one-off or ad hoc engagements, a fixed fee may be agreed. |
|  | |
|  | *Allocating amounts to performance obligations* |
|  | Owing to the way in which the Group earns its revenue, which is largely either percentage-based or fixed for discrete services rendered, there is no judgement required in determining the allocation of amounts received. Where clients benefit from the provision of both investment management and wealth advisory services, the Group is able to separately determine the quantum of fees payable for each business stream. |
|  | |
|  | Further details on revenue, including disaggregation by operating segment and the timing of transfer of service(s), are provided in note 3 below. |

|  |  |
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| **5** | **Critical accounting judgements 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. |
|  |
|  | **Critical judgements in applying the Group's accounting policies** |
|  | The following are the critical judgements that the Directors have made in the process of applying the Group’s accounting policies that had the most significant effect on the amounts recognised in the financial statements. |
|  |
|  | *Assessment of control* |
|  | Control is considered to exist where an investor has power over an investee, or else is exposed, and has rights, to variable returns. The Group determines control to exist where its own direct and implicit voting rights relative to other investors afford the Group – via its board and senior management – the practical ability to direct, or as the case may be veto, the actions of its investees.  The company holds 50.1% of voting rights in Kingswood US, LLC, parent company of the US and its subsidiaries, as well as a majority stake in the US division’s advisory board when grouped with affiliated entities. The Group has thus determined that the Company has rights, to variable returns from involvement with Kingswood US, LLC and its subsidiaries; and the ability to use power over the US Group to affect the amount of those returns, as such the Company has consolidated the sub-group as subsidiaries with a 49.9% non-controlling interest.  The company holds 70% of voting rights in Moloney Investments Limited, parent company of Ireland and its subsidiaries, as well as a majority stake in the Ireland division’s advisory board when grouped with affiliated entities. The Group has thus determined that the Company has the practical ability to direct the relevant activities of Moloney Investments Limited and its subsidiaries and has consolidated the sub-group as subsidiaries with a 30% non-controlling interest. |
|  | **Estimates and Assumptions**   |  |  | | --- | --- | | ***Intangible assets:*** | | | *Expected duration of client relationships* | | The Group makes estimates as to the expected duration of client relationships to determine the period over which related intangible assets are amortised. The amortisation period is estimated with reference to historical data on account closure rates and expectations for the future. During the period, client relationships were amortised over a 10-20 year period. | |  | | *Goodwill* | | The amount of goodwill initially recognised as a result of a business combination is dependent on the allocation of the purchase price to the fair value of the identifiable assets acquired and the liabilities assumed. The determination of the fair value of the assets and liabilities is based, to a considerable extent, on management’s judgement. Goodwill is reviewed annually for impairment by comparing the carrying amount of the Cash Generating Units (CGU) to their expected recoverable amount, estimated on a value-in-use basis. The CGUs are based on the business segments as outlined in note 6. | |
|  |

|  |  |
| --- | --- |
| **5** | **Critical accounting judgements and key sources of estimation uncertainty (continued)** |

|  |  |
| --- | --- |
| **Estimates and Assumptions (continued)** | |
|  | | |
|  | ***Share-based remuneration:*** | |
|  | *Share based payments* | |
|  | The calculation of the fair value of share-based payments requires assumptions to be made regarding market conditions and future events. These assumptions are based on historic knowledge and industry standards. Changes to the assumptions used would materially impact the charge to the Statement of Comprehensive Income. | |
|  | | |
|  | ***Deferred tax:*** | |
|  | | |
|  | *Recoverability of deferred tax assets* | |
|  | The amount of deferred tax assets recognised requires assumptions to be made to the financial forecasts that probable sufficient taxable profits will be available to allow all or part of the asset to be recovered. | |
|  | | |
|  | | |
|  | ***Deferred consideration:*** | |
|  | | |
|  | *Payment of deferred consideration* | |
|  | The Group structures acquisitions such that consideration is split between initial cash or equity settlements and deferred payments. The initial value of the contingent consideration is determined by EBITDA and/or revenue targets agreed on the acquisition of each asset. It is subsequently remeasured at its fair value through the Statement of Comprehensive Income, based on the Directors’ best estimate of amounts payable at a future point in time, as determined with reference to expected future performance. Forecasts are used to assist in the assumed settlement amount. | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **6 Business and geographical segments** | |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Six month ended 30 June 2024 (Unaudited)** | **Investment**  **management** |  | **Wealth**  **planning** |  | **US**  **operations** |  | **Ireland**  **operations** |  |  | **Group** |  | **Continuing**  **Total** |  | **Discontinued**  **Total** |  | **Total** |
| **£ 000** |  | **£ 000** |  | **£ 000** |  | **£ 000** |  |  | **£ 000** |  | **£ 000** |  | **£ 000** |  | **£ 000** |
| **Revenue (disaggregated by timing):** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Non-recurring | 578 |  | 1,813 |  | 15,946 |  | 1,510 |  |  | - |  | 19,847 |  | - |  | 19,847 |
| Recurring | 3,563 |  | 13,500 |  | 1,258 |  | 2,460 |  |  | - |  | 20,781 |  | - |  | 20,781 |
| **External sales** | **4,141** |  | **15,313** |  | **17,204** |  | **3,970** |  |  | **-** |  | **40,628** |  | **-** |  | **40,628 40,628** |
| Direct expenses | (568) |  | (603) |  | (13,027) |  | - |  |  | - |  | (14,198) |  | - |  | (14,198) |
| **Gross profit** | **3,573** |  | **14,710** |  | **4,177** |  | **3,970** |  |  | **-** |  | **26,430 26,430** |  | **-** |  | **26,430** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Operating profit / (loss) | 1,773 |  | 4,852 |  | 1,331 |  | 1,336 |  |  | (3,175) |  | 6,117 |  | - |  | 6,117 |
| Business re-positioning costs | - |  | - |  | - |  | - |  |  | (130) |  | (130) |  | - |  | (130) |
| Finance costs | (3) |  | (38) |  | (6) |  | (2) |  |  | (7,178) |  | (7,227) |  | - |  | (7,227) |
| Other finance costs | (8) |  | (712) |  | - |  | (28) |  |  | (1,886) |  | (2,634) |  | - |  | (2,634) |
| Other gains / (losses) |  |  | 22 |  |  |  |  |  |  | 232 |  | 254 |  | - |  | 254 |
| Remuneration charge (deferred consideration) | - |  | - |  | - |  | - |  |  | (704) |  | (704) |  | - |  | (704) |
| Transaction costs | (198) |  | (277) |  | (119) |  | (370) |  |  | (607) |  | (1,571) |  | - |  | (1,571) |
| **Profit / (loss) before tax** | **1,564** |  | **3,847** |  | **1,206** |  | **936** |  |  | **(13,448)** |  | **(5,895)** |  | **-** |  | **(5,895)** |
| Tax | - |  | - |  | (148) |  | - |  |  | - - |  | (148) |  | - |  | (148) |
| **Profit / (loss) after tax** | **1,564** |  | **3,847** |  | **1,058** |  | **936** |  |  | **(13,448)** |  | **(6,043)** |  | - |  | **(6,043)** |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **6 Business and geographical segments (continued)** | | | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Period Ended 30 June 2023 (Unaudited) (Restated)** | **Investment**  **management** |  | **Wealth**  **planning** |  | **US**  **operations** |  | **Ireland**  **operations** |  |  | **Group** |  | **Continuing**  **Total** |  | **Discontinued**  **Total** |  | **Total** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | **£ 000** |  | **£ 000** |  | **£ 000** |  | **£ 000** |  |  | **£ 000** |  | **£ 000** |  | **£ 000** |  | **£ 000** |
| **Revenue (disaggregated by timing):** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Non-recurring | 452 |  | 2,053 |  | 11,894 |  | 1,743 |  |  | - |  | 16,142 |  | 25,620 |  | 41,762 |
| Recurring | 3,465 |  | 14,662 |  | 534 |  | 790 |  |  | - |  | 19,451 |  | 1,517 |  | 20,968 |
| **External sales** | **3,917** |  | **16,715** |  | **12,428** |  | **2,533** |  |  | **-** |  | **35,593** |  | **27,137** |  | **62,730** |
| Direct expenses | (569) |  | (793) |  | (10,489) |  | - |  |  | - |  | (11,851) |  | (25,463) |  | (37,314) |
| **Gross profit** | **3,348** |  | **15,922** |  | **1,939** |  | **2,533** |  |  | **-** |  | **23,742** |  | **1,674** |  | **25,416** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Operating profit / (loss) | 1,379 |  | 5,589 |  | 681 |  | 761 |  |  | (3,355) |  | 5,055 |  | (90) |  | 4,965 |
| Business re-positioning costs | (76) |  | (104) |  | (124) |  | - |  |  | (65) |  | (369) |  | - |  | (369) |
| Finance costs | (7) |  | (87) |  | (8) |  | (1) |  |  | (7,035) |  | (7,138) |  | - |  | (7,138) |
| Other finance costs | (9) |  | (823) |  | 21 |  | (18) |  |  | (2,107) |  | (2,936) |  | (21) |  | (2,957) |
| Remuneration charge (deferred |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| consideration) | - |  | - |  | - |  | - |  |  | (259) |  | (259) |  | - |  | (259) |
| Transaction costs | (61) |  | (272) |  | 61 |  | - |  |  | (3,828) |  | (4,100) |  | (61) |  | (4,161) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Profit / (loss) before tax** | **1,226** |  | **4,303** |  | **631** |  | **742** |  |  | **(16,649)** |  | **(9,747)** |  | **(172)** |  | **(9,919)** |
| Tax | - |  | (157) |  | (14) |  | (4) |  |  | - |  | (175) |  | - |  | (175) |
| **Profit / (loss) after tax** | **1,226** |  | **4,146** |  | **617** |  | **738** |  |  | **(16,649)** |  | **(9,922)** |  | **(172)** |  | **(10,094)** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **6 Business and geographical segments (continued)** | | | |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Year Ended 31 December 2023 (Audited)** | **Investment**  **management** |  | **Wealth**  **planning** |  | **US**  **operations** |  | **Ireland**  **operations** |  |  | **Group** |  | **Continuing**  **Total** |  | **Discontinued**  **Total** |  | **Total** |
| **Revenue (disaggregated by timing):** | **£ 000** |  | **£ 000** |  | **£ 000** |  | **£ 000** |  |  | **£ 000** |  | **£ 000** |  | **£ 000** |  | **£ 000** |
| Non-recurring | 974 |  | 4,420 |  | 28,633 |  | 1,550 |  |  | - |  | 35,577 |  | 36,484 |  | 72,061 |
| Recurring | 6,995 |  | 27,970 |  | 10,941 |  | 4,636 |  |  | 41 |  | 50,583 |  | 1,827 |  | 52,410 |
| **External sales** | **7,969** |  | **32,390** |  | **39,574** |  | **6,186** |  |  | **41** |  | **86,160** |  | **38,311** |  | **124,471** |
| Direct expenses | (1,154) |  | (1,482) |  | (32,851) |  | - |  |  | - |  | (35,487) |  | (36,322) |  | (71,809) |
| **Gross profit** | **6,815** |  | **30,908** |  | **6,723** |  | **6,186** |  |  | **41** |  | **50,673** |  | **1,989** |  | **52,662** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Operating profit / (loss) | 3,020 |  | 10,709 |  | 1,870 |  | 1,948 |  |  | (6,731) |  | 10,816 |  | (103) |  | 10,713 |
| Business re-positioning costs | (265) |  | (425) |  | - |  | - |  |  | (1,204) |  | (1,894) |  | - |  | (1,894) |
| Finance costs | (13) |  | (156) |  | (13) |  | (3) |  |  | (12,781) |  | (12,966) |  | (6) |  | (12,972) |
| Amortisation and depreciation | (9) |  | (1,656) |  | (145) |  | (51) |  |  | (4,185) |  | (6,046) |  | (37) |  | (6,083) |
| Other gains / (losses) | - |  | (5) |  | 46 |  | - |  |  | 90 |  | 131 |  | - |  | 131 |
| Remuneration charge (deferred | - |  | - |  | - |  | - |  |  | (474) |  | (474) |  | - |  | (474) |
| consideration) | 6 |  | (586) |  | 1,117 |  | (72) |  |  | (3,293) |  | (2,828) |  | (490) |  | (3,318) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Profit / (loss) before tax** | **2,739** |  | **7,881** |  | **2,875** |  | **1,822** |  |  | **(28,578)** |  | **(13,261)** |  | **(636)** |  | **(13,897)** |
| Tax | - |  | (39) |  | (37) |  | (290) |  |  | (2,339) |  | (2,705) |  | - |  | (2,705) |
| **Profit / (loss) after tax** | **2,739** |  | **7,842** |  | **2,838** |  | **1,532** |  |  | **(30,917)** |  | **(15,966)** |  | **(636)** |  | **(16,602)** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

|  |  |
| --- | --- |
| **7** | **Discontinued operations** |

# In the 31 December 2023 financial statements, the Group reported the sale of the of the entire share capital of wholly owned subsidiary Benchmark Investments, LLC (BMI) for a consideration of US$5million. At 30 June 2023 and at 31 December 2023, the business has been classified as held for sale and is classified as a discontinued operation, and can be shown below.

No items have been presented as discontinued in 2024.

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | | |
|  | **Six months to** |  | **Year ending** |
| **Results of discontinued operations:** | **30 June 2023** |  | **31 Dec 2023** |
|  |  |  |  |
|  | **£ 000** |  | **£ 000** |
| **Revenue** | 27,137 |  | 38,311 |
| Cost of sales | (25,463) |  | ( 36,322) |
| **Gross Profit** | 1,674 |  | 1,989 |
| Administrative expenses | (1,764) |  | (2,092) |
| Operating profit | (90) |  | (103) |
| Business re-positioning costs |  |  |  |
| Finance costs | - |  | (6) |
| Other Finance costs | (21) |  | (37) |
| Transaction costs | (61) |  | (490) |
| Other gains or losss |  |  |  |
| **(Loss)/Profit before tax** | (172) |  | (636) |
| Income tax receipt/(expense) | - |  | - |
| **Loss for the year from discontinued operations** | (172) |  | (636) |
|  |  |  |  |
| Attributable to: |  |  |  |
| Owners of the Company | (86) |  | (319) |
| Non-controlling interests | (86) |  | (317) |
|  | (172) |  | (636) |
|  |  |  |  |
|  | **Six months to** |  | **Year ending** |
|  | **30 June 2023** |  | **31 Dec 2023** |
| **Cash flows used in discontinued operations** | **£ 000** |  | **£ 000** |
| Net cash from operating activities | 1,187 |  | - |
| Net cash from investing activities | - |  | - |
| Net cash from financing activities | - |  | - |
| Net cash flows for the year | 1,187 |  | - |
| **7** **Discontinued operations (continued)**  At 30 June 2023, the disposal group was stated at its carrying value and comprised the following assets and liabilities: | | | |
|  |  |  | **At** |
|  |  |  | **30 June 2023** |
|  |  |  | **£ 000** |
| Property, plant and equipment |  |  | 23 |
| Trade and other receivables |  |  | 2,331 |
| Cash and cash equivalents |  |  | 1,187 |
| **Assets held for sale** |  |  | 3,541 |
|  |  |  |  |
| Trade and other payables |  |  | 2,558 |
| **Liabilities associated with assets held for sale** |  |  | 2,558 |
|  |  |  |  |
| At of 30 June 2024 and 31 December 2023, there was no disposal groups, as the sale was completed in November 2023. | | | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **9**  **5** | **Earnings per share** | | | | | | | | | | | | | |  | |
|  | | | | | | | | | | | | | | | | |
|  | | **Six months to** | | |  | | **Six months to** | | |  | | **Year ended** | | | |  |
|  | | **30 Jun 2024** | | |  | | **30 Jun 2023** | | |  | | **31 Dec 2023** | | | |  |
|  | | **(unaudited)** | | |  | | **(unaudited)** | | |  | | **(audited)** | | | |  |
|  | | | | | | | | | | | | | | | | |
|  | | **£'000** | | |  | | **£'000** | | |  | | **£'000** | | | |  |
|  | | | | | | | | | | | | | | | | |
|  | Loss from continuing operations for the purposes of basic loss per share, being net loss attributable to owners of the Group |  | (6,853) | | |  | | (10,365) | | |  | | (17,597) | | | |
|  | Loss from discontinued operations for the purposes of basic loss per share, being net loss attributable to owners of the Group |  | - | | |  | | (172) | | |  | | (636) | | | |
|  | | | | | | | | | | | | | | | | |
|  | | | |  |  | | | |  |  | | | |  | |  |
| (6,853) (10,537) (18,233) | | | | | | | | | | | | | | | | |
|  | | | | | | | | | | | | | | | | |
|  | **Number of shares** |  | | | | | | | | | | | | | | |
|  | | | | | | | | | | | | | | | | |
|  | Weighted average number of ordinary shares for the purposes of basic loss per share | 686,184,010 | | |  | | 216,920,719 | | |  | | 216,920,724 | | | |  |
|  | | | | | | | | | | | | | | | | |
|  | Effect of dilutive potential ordinary shares: |  | | | | | | | | | | | | | | |
|  | | | | | | | | | | | | | | | | |
|  | Share options | 5,607,177 | | |  | | 6,624,664 | | |  | | 5,956,773 | | | |  |
|  | Convertible preference shares in issue | 107,297,617 | | |  | | 525,217,205 | | |  | | 538,027,380 | | | |  |
|  | | | | | | | | | | | | | | | | |
|  | | | |  |  | | | |  |  | | | |  | |  |
|  | | | | | | | | | | | | | | | | |
|  | **Weighted average number of ordinary shares for the purposes of diluted loss per share** | 799,088,804 | | |  | | 748,762,588 | | |  | | 760,904,877 | | | |  |
|  | | | | | | | | | | | | | | | | |
|  | **Continuing operations:** | | | | | |  | | | | | | | | | |
|  | **Basic loss per share** | £(0.01) | | |  | | £(0.05) | | |  | | £(0.08) | | | |  |
|  | **Diluted loss per share** | £(0.01) | | |  | | £(0.01) | | |  | | £(0.02) | | | |  |
|  | | | | | | | | | | | | | | | | |
|  | **Total loss:** | | | | | |  | | | | | | | | | |
|  | **Basic loss per share** | £(0.01) | | |  | | £(0.05) | | |  | | £(0.08) | | | |  |
|  | **Diluted loss per share** | £(0.01) | | |  | | £(0.01) | | |  | | £(0.02) | | | |  |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **8** | **Other (losses) / gains** | | |  | | | | | |
|  | | **Six months to** | | **Six months to** | | **Year Ended** | | |
|  | | **30 June 2024** | | **30 June 2023** | | **31 December 2023** | | |
|  | | **(unaudited)** | | **(unaudited)** | | **(audited)** | | |
|  | | **£'000** | | **£'000** | | **£'000** | | |
|  | | | | | | | | | |
|  | Realised gain on investment | 254 | | - | |  | 131 | | |
|  | | | | | | | | | |
|  | | |  |  |  |  | |  |
|  | | | | | | | | | |
|  | | 254 | | - | |  | 131 | | |
|  | | | | | | | | | |
|  | | |  |  |  |  | |  |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **10** | **Goodwill and other intangible assets** | | | | | | |  |
|  | | **Goodwill** | | **Other intangible assets** | | **Total** | |  |
|  | | **£'000** | | **£'000** | | **£'000** | |  |
|  | **Cost** | | | | | | |  |
|  | At 1 January 2023 | 57,817 | | 76,106 | | 133,923 | |  |
|  | Additions | 7,306 | | 20,554 | | 27,860 | |  |
|  | Movement due to FX | (315) | | 14 | | (301) | |  |
|  | | | | | | | | |
|  | | |  |  |  |  |  |  |
|  | | | | | | | | |
|  | At 30 June 2023 | 64,808 | | 96,674 | | 161,482 | |  |
|  | Additions | 127 | | (266) | | (139) | |  |
|  | Revaluation of acquisition | 247 | | - | | 247 | |  |
|  | Exchange adjustments | (14) | | (15) | | (29) | |  |
|  | | | | | | | | |
|  | | |  |  |  |  |  |  |
|  | | | | | | | | |
|  | At 30 December 2023 | 65,168 | | 96,393 | | 161,561 | |  |
|  | | | | | | | | |
|  | | |  |  |  |  |  |  |
|  | | | | | | | | |
|  | Additions | 1,343 | | 2,361 | | 3,704 | |  |
|  | Goodwill adjustment | 1,546 | | - | | 1,546 | |  |
|  | Movement due to FX | 127 | | - | | 127 | |  |
|  | Disposals | - | | - | | - | |  |
|  | | | | | | | | |
|  | | |  |  |  |  |  |  |
|  | | | | | | | | |
|  | **At 30 June 2024** | **68,184** | | **98,754** | | **165,398** | |  |
|  | | | | | | | | |
|  | | |  |  |  |  |  |  |
|  | | | | | | | | |
|  | **Accumulated amortisation** |  | | | | | | |
|  | **At 1 January 2023** | 2,279 | | 8,175 | | 10,454 | |  |
|  | Charge for period | - | | 2,370 | | 2,370 | |  |
|  | | | | | | | | |
|  | | |  |  |  |  |  |  |
|  | | | | | | | | |
|  | At 30 June 2023 | **2,279** | | **10,545** | | **12,824** | |  |
|  | | | | | | | | |
|  | | |  |  |  |  |  |  |
|  | | | | | | | | |
|  | Disposals |  | | | | | | |
|  | Charge for period | - | | 2,332  9 | | 2,332 | |  |
|  | | | | | | | | |
|  | | |  |  |  |  |  |  |
|  | | | | | | | | |
|  | At 31 December 2023 | 2,279 | | 12,877 | | 15,156 | |  |
|  | | | | | | | | |
|  | | |  |  |  |  |  |  |
|  | | | | | | | | |
|  | Disposals |  | | | | | | |
|  | Charge for period | - | | 2,634 | | 2,634 | |  |
|  | | | | | | | | |
|  | | |  |  |  |  |  |  |
|  | | | | | | | | |
|  | **At 30 June 2024** | **2,279** | | **15,511** | | **17,790** | |  |
|  | | | | | | | | |
|  | | |  |  |  |  |  |  |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **10** | **Goodwill and other intangible assets (continued)** | | | | | | | | | | | | |  |
|  | | | | | | | | | | | | | | |
|  | **Net book value** | |  | | | | | | | | | | | |
|  | | | | | | | | | | | | | | |
|  |  | |  | | | |  | | | |  | | |  |
|  |  | |  | | | |  | | | |  | | |  |
|  | As at 30 June 2024 | | **65,905** | | | | **83,243** | | | | **149,148** | | |  |
|  | | | | | | | | | | | | | | |
|  | | | | |  | |  | |  | |  |  | |  |
|  | | | | | | | | | | | | | | |
|  | As at 30 June 2023 | | 62,529 | | | | 86,129 | | | | 148,658 | | |  |
|  | | | | | | | | | | | | | | |
|  | | | | |  | |  | |  | |  |  | |  |
|  | | | | | | | | | | | | | | |
|  | As at 31 December 2023 | | 62,889 | | | | 83,516 | | | | 146,405 | | |  |
|  | | | | | | | | | | | | | | |
|  | | | | |  | |  | |  | |  |  | |  |
|  | | | | |  | |  | |  | |  |  | |  |
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|  | | | | |  | |  | |  | |  |  | |  |
|  | | | | |  | |  | |  | |  |  | |  |
| **11** | **Deferred consideration payable** |  | | | | | | | | | | | |
|  | | **Six Months to** | | | | **Six Months to** | | | | **Year Ended** | | | |
|  | | **30 June 2024** | | | | **30 June 2023** | | | | **31 December 2023** | | | |
|  | | **£'000** | | | | **£'000** | | | | **£'000** | | | |
|  | | | | | | | | | | | | | |
|  | Deferred consideration payable on acquisitions: | 18,130 | | | | 28,072 | | | | 26,274 | | | |
|  | | | | | | | | | | | | | |
|  | | | |  | |  | |  | |  | |  | |
|  | | | | | | | | | | | | | |
|  | - falling due within one year | 17,629 | | | | 15,513 | | | | 23,905 | | | |
|  | - due after more than one year | 501 | | | | 12,559 | | | | 2,369 | | | |
|  | | | | | | | | | | | | | |
|  | The deferred consideration payable on acquisitions is due to be paid in cash.  The deferred consideration liability is contingent on performance requirements during the deferred consideration period. The value of the contingent consideration is determined by EBITDA and/or revenue targets agreed on the acquisition of each asset, as defined under the respective Share or Business Purchase Agreement. As at the reporting date, the Group is expecting to pay the full value of its deferred consideration as all acquisitions are on target to meet the requirements.  Previously all deferred consideration payable on acquisitions was recorded as a deferred liability and included in the fair value of assets. However, in circumstances where the payment of deferred consideration is contingent on the seller remaining within the employment of the Group during the deferred period, the contingent portion of deferred consideration is not included in the fair value of consideration paid, rather is treated as remuneration and accounted for as a charge against profits over the deferred period. | | | | | | | | | | | |  |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **12** | **Share capital** | | | | | | | | | | |  | | | | | | | | | | |
|  | | **Six months to** | | **Six months to** | | **Year ended** | | | |  | | **Six months to** | | | | **Six months to** | | | | **Year ended** | | |
|  | | **30 June 2024** | | **30 June 2023** | | **31 Dec 2023** | | | |  | | **30 June 2024** | | | | **30 June 2023** | | | | **31 Dec 2023** | | |
|  | | **(unaudited)** | | **(unaudited)** | | **(audited)** | | | |  | | **(unaudited)** | | | | **(unaudited)** | | | | **(audited)** | | |
|  | | **Shares** | | **Shares** | | **Shares** | | | |  | | **£'000** | | | | **£'000** | | | | **£'000** | | |
|  | | | | | | | | | | | | | | | | | | | | | | |
|  | **Ordinary shares issued:** |  | | | | | | | | | | | | | | | | | | | | |
|  | | | | | | | | | | | | | | | | | | | | | | |
|  | Fully paid | 686,184,010 | | 216,920,719 | | 216,920,719 | | | |  | | 34,309 | | | | 10,846 | | | | 10,846 | | |
|  | | | | | | | | | | | | | | | | | | | | | | |
|  | | |  |  |  |  | |  | |  | | | |  | |  | |  | |  |  | |
|  | | | | | | | | | | | | | | | | | | | | | | |
|  | | 686,184,010 | | 216,920,719 | | 216,920,719 | | | |  | | 34.309 | | | | 10,846 | | | | 10,846 | | |
|  | | | | | | | | | | | | | | | | | | | | | | |
|  | | |  |  |  |  | |  | |  | | | |  | |  | |  | |  |  | |
|  | | | | | | | | | | | | | | | | | | | | | | |
|  | **Share capital and share premium** | | | | | | | | | | | | | | | | | | | | |  |
|  | | | | | | | | | | | | | | | | | | | | | | |
|  | | | | | | | **Number of ordinary shares** | | | | **Par value** | | | | **Share premium** | | | | **Total** | | | |
|  | | | | | | | **'000** | | | | **£'000** | | | | **£'000** | | | | **£'000** | | | |
|  | | | | | | | | | | | | | | | | | | | | | | |
|  | At 1 January 2023 | | | | | | 216,921 | | | | 10,846 | | | | 8,224 | | | | 19,070 | | | |
|  | Issued during year | | | | | | - | | | | - | | | | - | | | | - | | | |
|  | As at 30 June 2023 | | | | | | 216,921 | | | | 10,846 | | | | 8,224 | | | | 19,070 | | | |
|  | | | | | | | | | | | | | | | | | | | | | | |
|  | | | | | | | | |  | |  | |  | |  | |  | |  | |  | |
|  | | | | | | | | | | | | | | | | | | | | | | |
|  | At 31 December 2023 | | | | | | 216,921 | | | | 10,846 | | | | 8,224 | | | | 19,070 | | | |
|  | Issued during year | | | | | | 469,263 | | | | 23,463 | | | | 46,687 | | | | 70,150 | | | |
|  | | | | | | | | | | | | | | | | | | | | | | |
|  | | | | | | | | |  | |  | |  | |  | |  | |  | |  | |
|  | | | | | | | | | | | | | | | | | | | | | | |
|  | **At 30 June 2024** | | | | | | **686,184** | | | | **34,309** | | | | **54,911** | | | | **89,220** | | | |
|  | | | | | | | | | | | | | | | | | | | | | | |
|  | | | | | | | | |  | |  | |  | |  | |  | |  | |  | |
|  | | | | | | | | | | | | | | | | | | | | | | |
|  | On 31 May 2024, the Company issued 469,263,291 new ordinary shares of £0.05 each following the conversion of 77,428,443, £1 convertible preference shares into ordinary shares at an agreed conversion price of 16.5 pence per share. The par value of the newly issued ordinary shares amounted to £23,463,165, with the excess over par value recognised as share premium. Please refer to the Note 13 for more details.  Ordinary shares have a par value of £0.05 per share. They 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, shares held. On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote and upon a poll each share is entitled to one vote.  Kingswood Holdings Limited does not have a limit on the amount of authorised capital. | | | | | | | | | | | | | | | | | | | | |  |
|  | | | | | | | | | | | | | | | | | | | | | | |
|  | As at 31 December 2023 HSQ Investment Limited held 469,263,291 Ordinary Shares, representing approximately 68.4 per cent of ordinary shares in issue at 30 June 2024. | | | | | | | | | | | | | | | | | | | | |  |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **13** | | **Preference share capital** | | | | | | | | | | | | | | | | | | | | | | |
|  | | | | | | | | | | | | | | | | | | | | | | | | |
|  | | | **Six Months to** | | **Six Months to** | | **Year Ended** | | | | | **Six Months to** | | | | **Six Months to** | | | | | **Year Ended** | | |  |
|  | | | **30 June 2024** | | **30 June 2023** | | **31 Dec 2023** | | | | | **30 June 2024** | | | | **30 June 2023** | | | | | **31 Dec 2023** | | |  |
|  | | | **(unaudited)** | | **(unaudited)** | | **(audited)** | | | | | **(unaudited)** | | | | **(unaudited)** | | | | | **(audited)** | | |  |
|  | | | **Shares** | | **Shares** | | **Shares** | | | | | **£'000** | | | | **£'000** | | | | | **£'000** | | |  |
|  | | | | | | | | | | | | | | | | | | | | | | | | |
|  | | **Convertible preference shares issued:** | | | | |  | | | | | | | | | | | | | | | | | |
|  | | | | | | | | | | | | | | | | | | | | | | | | |
|  | | Fully paid | - | | 77,428,443 | | 77,428,443 | | | | | - | | | | 77,428 | | | | | 77,428 | | |  |
|  | | | | | | | | | | | | | | | | | | | | | | | | |
|  | | | |  |  |  |  | | |  | |  | |  | |  | | |  | |  |  | |  |
|  | | | | | | | | | | | | | | | | | | | | | | | | |
|  | | | - | | 77,428,443 | | 77,428,443 | | | | | - | | | | 77,428 | | | | | 77,428 | | |  |
|  | | | | | | | | | | | | | | | | | | | | | | | | |
|  | | | |  |  |  |  | | |  | |  | |  | |  | | |  | |  |  | |  |
|  | | | | | | | | | | | | | | | | | | | | | | | | |
|  | | | | | | | | | | | | **Six Months to** | | | | **Six Months to** | | | | | **Year Ended** | | |  |
|  | | | | | | | | | | | | **30 June 2024** | | | | **30 June 2023** | | | | | **31 Dec 2023** | | |  |
|  | | | | | | | | | | | | **(unaudited)** | | | | **(unaudited)** | | | | | **(audited)** | | |  |
|  | | | | | | | | | | | | | | | | | | | | | | | | |
|  | | Equity component | | |  | | | | | | | - | | | | 70,150 | | | | | 70,150 | | |  |
|  | | | | | | | | | | | | | | | | | | | | | | | | |
|  | | | | | | | | | | | | | |  | |  | | |  | |  |  | |  |
|  | | | | | | | | | | | | | | | | | | | | | | | | |
|  | | | | | | | | | | | | **-** | | | | **70,150** | | | | | **70,150** | | |  |
|  | | | | | | | | | | | | | | | | | | | | | | | | |
|  | | | | | | | | | | | | | |  | |  | | |  | |  |  | |  |
|  | | | | | | | |  | | |  | | | |  | | | | |  | | | |
|  | | | | | | | |  | | |  | | | | **Number of shares** | | | | | **Par value** | | | |
|  | | | | | | | |  | | |  | | | | **'000** | | | | | **£'000** | | | |
|  | | | | | | | | | | | | | | | | | | | | | | | |
|  | At 1 January 2023 | | | | | | |  | | |  | | | | 77,428 | | | | | 70,150 | | | |
|  | Issued during year | | | | | | |  | | |  | | | | - | | | | | - | | | |
|  | As at 30 June 2023 | | | | | | |  | | |  | | | | 77,428 | | | | | 70,150 | | | |
|  | | | | | | | | | | | | | | | | | | | | | | | |
|  | | | | | | | | |  | |  | |  | |  | | |  | |  | | |  |
|  | | | | | | | | | | | | | | | | | | | | | | | |
|  | At 31 December 2023 | | | | | | |  | | |  | | | | 77,482 | | | | | 70,150 | | | |
|  | Extinguishment on conversion | | | | | | |  | | |  | | | | (77,428) | | | | | (70,150) | | | |
|  | | | | | | | | | | | | | | | | | | | | | | | |
|  | | | | | | | | |  | |  | |  | |  | | |  | |  | | |  |
|  | | | | | | | | | | | | | | | | | | | | | | | |
|  | **At 30 June 2024** | | | | | | |  | | |  | | | |  | | - | | |  | | - | |

On 31 May 2024, the Company announced that, following the receipt of approvals from applicable regulatory authorities in the US, UK, and Republic of Ireland, the Company’s convertible preference shares would be converted into Ordinary Shares. As part of this transaction, all convertible preference shares were converted into ordinary shares, resulting in the issuance of 469,263,291 new ordinary shares. The conversion was executed at the agreed conversion price of 16.5 pence per ordinary share. The carrying amount of the preference share capital was transferred to share capital and share premium.

HSQ Investment Limited ("HSQ"), a wholly owned indirect subsidiary of funds managed and/or advised by Pollen Street Capital Limited ("Pollen Street"), will be beneficially interested in a total of 469,263,291 Ordinary Shares representing approximately 68.4 per cent of the enlarged issued share capital of the Company.

Preferential dividends on the convertible preference shares continued to accrued and has been recognised until the date of conversion, daily at a fixed rate of five per cent per annum. The Company and HSQ are currently in discussions regarding the treatment and settlement of these accrued dividends, with further announcements to follow.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **14** | **Notes to the cash flow statement** | | | |  | | | | | | | | |
|  | | | | | | | | | | | | | |
|  | Cash and cash equivalents comprise cash and cash equivalents with an original maturity of three months or less. The carrying amount of these assets is approximately equal to their fair value. | | | | | | | | | |  | | |
|  | | **Six Months to** | | | **Six Months to** | | | **Year Ended** | | | |  | |
|  | | **30 June 2024** | | | **30 June 2023** | | | **31 Dec 2023** | | | |  | |
|  | | | | | | | | | | | | | |
|  | | **(unaudited)** | | | **(unaudited)** | | | **(audited)** | | | |  | |
|  | |  | | | **(restated)** | | |  | | | |  | |
|  | | **£'000** | | | **£'000** | | | **£'000** | | | |  | |
|  | | | | | | | | | | | | | |
|  | **Loss before tax from continuing operations** |  | (5,895) | | (10,091) | | | (13,261) | | | | |  |
|  | **Profit/(loss) for the year from discontinued operations, net of tax** |  | - | | 172 | | | (636) | | | | |  |
|  | **Loss before tax** |  | (5,895) | | (9,919) | | | (13,897) | | | | |  |
|  | | | | | | | | | | | | | |
|  | Depreciation and amortisation | 2,634 | | | 2,957 | | | 6,046 | | | |  | |
|  | Goodwill adjustment | - | | | - | | | - | | | |  | |
|  | Finance costs | 7,227 | | | 6,639 | | | 12,966 | | | |  | |
|  | Remuneration charge (deferred consideration) |  | 704 | | 259 | | | 474 | | | |  | |
|  | Share-based payment expense | 130 | | | 499 | | | 456 | | | |  | |
|  | Other losses / (gains) | (254) | | | - | | | (224) | | | |  | |
|  | Other non cash items | 519 | | | - | | |  | 846 | | | |  |
|  | (Gain) on disposal of businesses, net of disposal costs | - | | | - | | |  | (1,039) | | | |  |
|  | Tax paid |  | (148) | | (175) | | | - | | | | |  |
|  | | | | | | | | | | | | | |
|  | | | |  |  | |  |  | |  | |  | |
|  | | | | | | | | | | | | | |
|  | **Operating cash flows before movements in working capital** | 4,917 | | |  | 260 | | (5,628) | | | | |  |
|  | | | | | | | | | | | | | |
|  | (Increase)/decrease in receivables | 3,376 | | |  | 6,318 | | (9,804) | | | | |  |
|  | Increase/(decrease) in payables |  | (5,465) | | (2,726) | | | 8,769 | | | |  | |
|  | | | | | | | | | | | | | |
|  | | | |  |  | |  |  | |  | |  | |
|  | | | | | | | | | | | | | |
|  | **Net cash inflow / (outflow) from operating activities** |  | 2,828 | | 3,852 | | | (4,593) | | | |  | |
|  | | | | | | | | | | | | | |
|  | | | |  |  | |  |  | |  | |  | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **15** | **Financial instruments** | | |  | | | | | | | | | |
|  | | | | | | | | | | | | | |
|  | The following table states the classification of financial instruments and is reconciled to the Statement of Financial Position: | | | | | | | | | | | |  |
|  | | | | | | | | | | | | | |
|  | | | | **30 Jun 2024** | | | **30 Jun 2023** | | | **31 Dec 2023** | | | |  |
|  | | | | **Carrying amount** | | | **Carrying amount** | | | **Carrying amount** | | | |  |
|  | | | | **(unaudited)** | | | **(unaudited)** | | | **(audited)** | | | |  |
|  | | | |  | | | **(restated)** | | |  | | | |  |
|  | | | | **£'000** | | | **£'000** | | | **£'000** | | | |  |
|  | | | | | | | | | | | | | |
|  | **Financial assets measured at amortised cost** | | |  | | | | | | | | | |
|  | Trade and other receivables | | | 10,492 | | | 8,049 | | | 14,295 | | | |  |
|  | Cash and cash equivalents | | | 15,459 | | | 22,939 | | | 18,704 | | | |  |
|  | | | | | | | | | | | | | |
|  | **Financial liabilities measured at amortised cost** | | |  | | | | | | | | | |
|  | Trade and other payables | | |  | (9,363) | | | (11,334) | | (15,654) | | | |
|  | Loans and borrowings | | |  | (77,611) | | | (64,984) | |  | (62,879) | | |
|  | Non-current portion of lease liability | | |  | (1,982) | | | (2,519) | | (2,357) | | | |
|  |  | | |  | | |  |  | |  | | | |  |
|  | | | | | | | | | | | | | |
|  | **Financial liabilities measured at fair value through profit and loss** | | |  | | | | | | | | | |
|  | Deferred consideration payable | | |  | (18,130) | | | (28,072) | | (26,274) | | | |
|  | | | | | | | | | | | | | |
|  | | | | | |  |  | |  |  | |  | |  |
|  | | | | | | | | | | | | | |
|  | | | | | (81,135) | | | (75,921) | | (74,165) | | | |
|  | | | | | | | | | | | | | |
|  | | | | | |  |  | |  |  | |  | |  |
|  | | | | | | | | | | | | | |
|  | Financial instruments not measured at fair value includes cash and cash equivalents, trade and other receivables, trade and other payables, and other non-current liabilities.  Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, and trade and other payables approximates fair value. | | | | | | | | | | | |  |
|  | | | | | | | | | | | | | |
|  | **Item** | **Fair value** | **Valuation technique** | | | | **Fair value hierarchy level** | | | | | |  |
|  | | **£'000** |  | | | | | | | | | | |
|  | | | | | | | | | | | | | |
|  | Deferred consideration payable | 18,130 | Fair value of deferred consideration payable is estimated by discounting the future cash flows using the IRR inherent in the company's acquisition price. |  | | | Level 3 | | |  | | | |
|  |  |  |  |  | | |  | | |  | | | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **16** | **Related party transactions** |  | | | | | | |
|  | | | | | | | | |
|  | **Remuneration of key management personnel** | | | | | | | |
|  | | | | | | | | |
|  | The remuneration of the Directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures. | | | | | | | |
|  | | | | | | | | |
|  | | | **Six months to** | | **Six months to** | | **Year ended** | |
|  | | | | | | | | |
|  | | | **30 June 2024** | | **30 June 2023** | | **31 Dec 2023** | |
|  | | | **(unaudited)** | | **(unaudited)** | | **(audited)** | |
|  | | | **2024** | | **2023** | | **2023** | |
|  | | | **£'000** | | **£'000** | | **£'000** | |
|  | | | | | | | | |
|  | Salaries and other short-term employee benefits | | 432 | | 665 | | 943 | |
|  | | | | | | | | |
|  | | | |  |  |  |  |  |
|  | | | | | | | | |
|  | | | | | | | | |
|  | Other related parties | | | |  | | | |
|  | | | | | | | | |
|  | During the period, KHL incurred fees of £50,000 (30 June 2023: £50,000; 31 December 2023: £104,000) from KPI (Nominees) Limited in relation to Non-Executive Director remuneration. At 30 June 2024, £nil of these fees remained unpaid (30 June 2023: £nil; 31 December 2023: £nil). | | | | | | | |
|  | | | | | | | | |
|  | Fees paid for financial and due diligence services to Kingswood LLP, in which Gary Wilder and Jonathan Massing hold a beneficial interest, totalled £28,726 for the period to 30 June 2024 (30 June 2023: £69,469; 31 December 2023: £171,353), of which £nil (30 June 2023: £nil; 31 December 2023: £nil) was outstanding at 30 June 2024. | | | | | | | |

|  |  |
| --- | --- |
| **17** | **Business combinations** |

On 6 February 2024, the Company’s Irish subsidiary, Moloney Investments Ltd ("MMPI"), completed the “bolt-on” acquisition of BasePlan Ltd ("BasePlan"), a retirement planning advice firm based in Dublin, Ireland, following regulatory approval. MMPI acquired 100% shareholding of Baseplan for a total cash consideration of £3.1m (€3.65m).

Based in Dublin, Ireland, BasePlan is a long established and leading financial advisory firm which has been providing client led financial and retirement planning and wealth management services for over 30 years. The BasePlan acquisition increased the Group’s assets under management by €130m during the period.

Details of the fair value of identifiable assets and liabilities acquired the purchase consideration and goodwill are as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Book value** |  | **Adjustment** |  | **Fair value** |
| **£ 000** |  | **£ 000** |  | **£ 000** |
| Intangibles assets– customer relationships | - |  | 2,361 |  | 2,361 |
| Trade and other receivables | 48 |  | - |  | 48 |
| Cash | 28 |  | - |  | 28 |
| Payables | (75) |  | - |  | (75) |
| Deferred tax liability | - |  | (590) |  | (590) |
| Total identifiable net assets | 1 |  | 1,771 |  | 1,772 |

The trade and other receivables were recognised at fair value, being the gross contractual amounts.

|  |  |
| --- | --- |
| **17** | **Business combinations (continued)** |

# Fair value of consideration paid:

The acquisition has been accounted for using the acquisition method and details of the purchase consideration are as follows:

|  |  |
| --- | --- |
|  | **2024** |
|  | **£’000** |
|  |  |
| Initial cash paid | 3,115 |
| Deferred cash consideration | - |
| Total purchase consideration | 3,115 |
|  |  |
| Goodwill recognised on acquisition | 1,343 |
| Acquisition costs have been recognised as transaction costs under acquisition-related adjustments in the Consolidated Statement of Comprehensive Income. | |
| The main factors leading to the recognition of goodwill are: |  |
| * the strategic foothold the BasePlan team and business gives the Group in Ireland, Dublin; and * the ability to leverage BasePlan platform and achieve economies of scale. |  |
| Consideration: |  |
|  | **2024** |
|  | **£’000** |
| Net cash outflow arising on acquisition: |  |
| Total purchase consideration | 3,115 |
| Less: Deferred consideration | - |
| Initial cash paid to acquire BasePlan | 3,115 |
| Less: cash held by BasePlan | (28) |
| Net cash outflow | 3,087 |

MMPI's acquisition of BasePlan formed an expected part of Kingswood's acquisition of MMPI in March 2023. An additional amount of £1.54m (€1.8m) was paid to MMPI by the Company as part of the completion proceeds of MMPI which was held pending receipt of the required regulatory approvals. This amount has been recognised as additional goodwill on the MMPI acquisition during the year.

|  |  |
| --- | --- |
| **18** | **Ultimate controlling party** |
|  | As at the date of approving the financial statements, the ultimate controlling party of the Group was HSQ Investment Limited, a wholly owned indirect subsidiary of funds managed and/or advised by Pollen Street Group Limited. HSQ Investment Limited, holds 68.40% of the voting rights and issued share capital of the Group. |
|  |  |
|  | |
| **19** | **Events after the reporting date** |
|  |  |
|  | |
|  | On 15th August 2024, the Company obtained an additional £6.0m debt facility from Pollen Street Capital Limited. This funding was obtained to provide the necessary capital for the Company to meet upcoming deferred payment obligations related to previous acquisitions. The key terms of the Facility Agreement are as follows:    -       £6.0m facility;  -       Repayment date of earlier of 29 October 2030 or date of an exit or partial exit; and  -       Interest rate of 12%, paid at maturity. |  |
|  | |  | |
|  | There were no other significant events after the reporting period. |