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16 February 2023 **Immediate Release**

AssetCo plc

Preliminary results for the year ended 30 September 2022

AssetCo plc ("AssetCo" or the "Company"), the agile asset and wealth management company, today announces its results for the year ended 30 September 2022.

Highlights

- Assets under management (AuM) as at 30 September 2022 were £2.7 billion (2021: £113m); including SVM Asset Management which completed post year end AuM was £3.1 billion
- Loss for the year £9.2m (2021: profit of £14.6m)
- Interim dividend of 1.3p per share declared and paid
- Significant cost reduction in listed equities business well underway with £10m of annualised costs cut in River and Mercantile by 30 September 2022
- Invested over £40m in growth through acquisitions
- Considerable progress in building out our listed equity platform through the acquisition of River and Mercantile Group, Revera Asset Management and SVM Asset Management

Martin Gilbert, Chairman, said:

"We continue to seek out potential opportunities for further inorganic expansion in relatively difficult trading conditions for asset management businesses generally. This creates opportunities for the agile AssetCo in its mission to acquire, improve and grow otherwise attractive businesses that are experiencing challenges or whose true value is unrecognised. We are particularly pleased, as an example, with Parmenion and remain strong advocates of this very valuable business, the management team and believe that the client led initiatives as well as industry interest over the past year will deliver significant value for all its stakeholders.

We are relentlessly focussing on serving our clients, sustaining investment performance, reducing costs, growing revenues and getting the group to profitability as soon as possible whilst being ready to pursue opportunity."

Campbell Fleming, Chief Executive, said:

"Our loss for the year was in part driven by a combination of acquisition costs and reorganisation costs as we right-size and integrate our acquired businesses. We are delivering on our acquisitive growth strategy whilst maintaining a focus on reducing costs across the business with a £10m annualised cost saving in River and Mercantile achieved. AssetCo has now successfully invested more than £40m in growing the business by completing the acquisitions of River and Mercantile and Revera, taking revenues from less than £0.5m last year to over £8m during the course of the year, with a forward-looking run rate of £17m when the acquisition of SVM is also factored in.

We are hugely grateful for the efforts of our investment, client and operations teams as well the continued support from our clients and our shareholders in what was a volatile, difficult and tough year for all."

For further information, please contact:

AssetCo plc	**Numis Securities Limited**
Campbell Fleming, CEO	*Nominated adviser and joint broker*
Peter McKellar, Deputy Chairman	Giles Rolls / Charles Farquhar
Tel: +44 (0) 785 0464 301	Tel: +44 (0) 20 7260 1000
Panmure Gordon (UK) Limited	**H/Advisors Maitland**
Joint broker	Neil Bennett
Atholl Tweedie	Rachel Cohen
Tel: +44 (0) 20 7886 2906	Tel: +44 (0) 20 7379 55151

For further details, visit the website, www.assetco.com
Ticker: AIM: ASTO.L

CHAIRMAN'S STATEMENT

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

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

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

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

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

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

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

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

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

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

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

Martin Gilbert - Chairman

16 February 2023

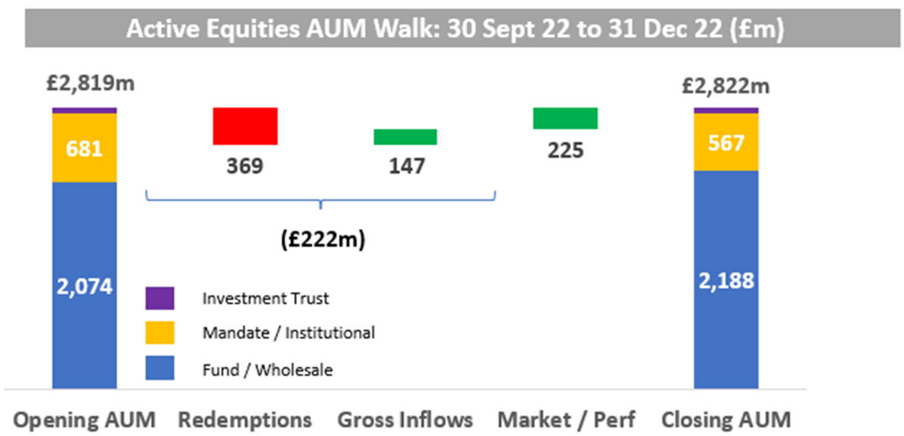
BUSINESS REVIEW

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

Active Equities

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

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



Performance

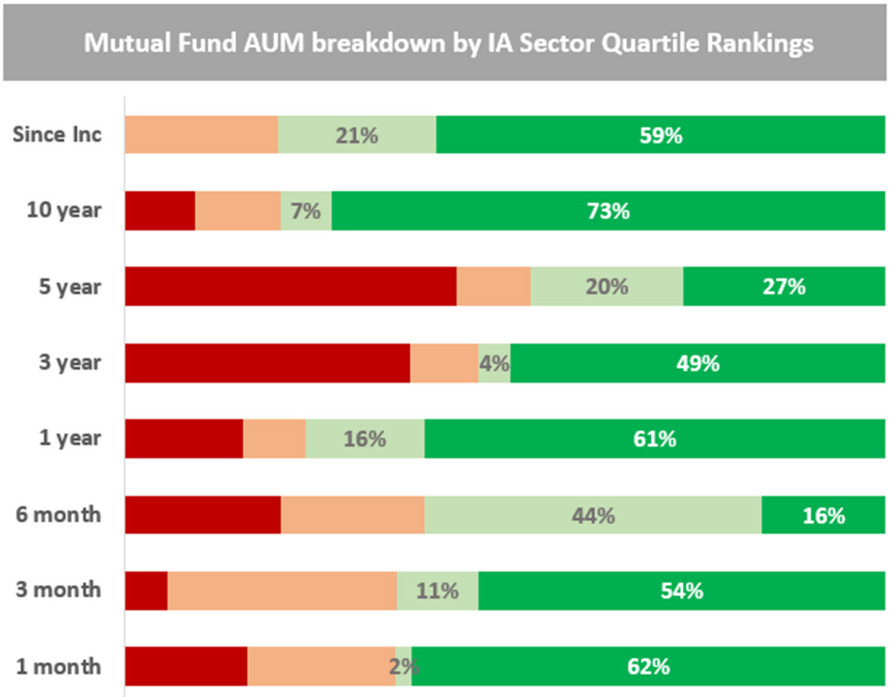
The three months to end September 2022 have been particularly active for River and Mercantile with the launch of two funds compliant with the EU's sustainable finance disclosure Regulations (SFDR) and its inaugural infrastructure fund. The launch of the two SFDR funds, European Change for Better Fund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

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

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

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

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



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

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

Costs

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

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

SVM Acquisition

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

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

Integration

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

Infrastructure

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

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

Exchange Traded Funds

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

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

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

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

Digital Platform

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

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

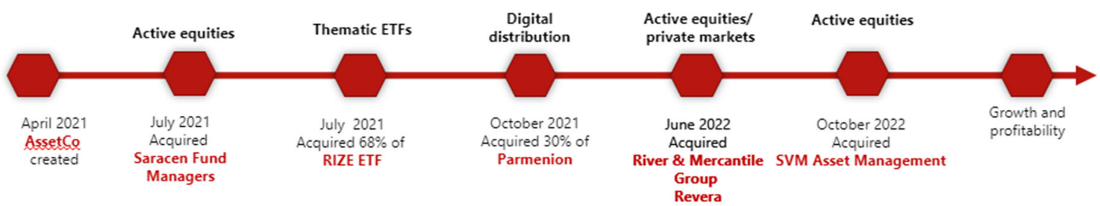
<u>Annualised Revenue Breakdown by Business Type (as at 30 September 2022*)</u>

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

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

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

- Wholesale refers to the active equity assets which are held and managed in mutual funds distributed by the Group.
- Institutional refers to the active equity assets which are held and managed in separate accounts on behalf of institutional clients of the Group.
- Investment Trust refers to the active equity assets which are held and managed in investment trusts which are clients of the Group.



Summary

From zero to £13.2bn[1] - an asset and wealth management business fit for the 21st Century
Six transactions completed or announced – active equities, thematic strategies, private markets and digital solutions

Proven and experienced management team
Strong track record of deal execution, cost management and organic growth. £10million per annum cost savings delivered.

The combined revenue of invested businesses is c. £17 million[2]
In addition, Parmenion, in which AssetCo has a structured 30% interest, has revenues of c. £40.4 million[3]

Building critical scale and broader capabilities in attractive market segments
Focus on continuing to grow revenues, profitability and sustained investment performance

1.3p dividend
Paid in Q4 2022, equivalent to13p per share pre the August 2022 share split.

Robust balance sheet
£40million improvement year on year.

Note(s):
1. *Includes £10.3bn of assets under management for Parmenion which is as at end December 2022 (Parmenion financial year end) (source: Parmenion)*
2. *Combined revenue is based on run rate as at September 2022 with the pro-forma addition of SVM at that date (SVM completed end October 2022). Source: AssetCo.*
3. *Parmenion revenue of £40.4 million year to date as of 31 December 2022 from Parmenion Management Accounts (source: Parmenion)*

Summary Performance Indicators:

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

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

[1] Monthly recurring revenue at date shown, annualised (i.e. x 12)
[2] % active equity mutual fund AuM in 1st or 2nd quartile when compared to competitor funds in relevant Investment Association sectors.
[3] Saracen only

Campbell Fleming, Chief Executive Officer

Peter McKellar, Deputy Chairman

16 February 2023

STRATEGIC REPORT

Introduction

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

Review of the business

A review of the business is contained in the Chairman's statement on pages 3 to 4 and in the Business Review on pages 5 to 11 and is incorporated into this report by cross-reference.

Strategy

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

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

Key performance indicators (KPIs)

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

As at end September	2022	2021	Movement
Active Equities Assets under Management	£2,291m	£113m	+£2,178m
Total assets	£102.1m	£59.6m	+£42.5m
Annualised revenue[1]	£12.9m	£2.5m	+£13.3m
Profit for the year (to 30 Sept)	-£9.3m	£14.7m	-£24m
Investment performance[2] (1 year)	46%	100%[3]	-54% points
Investment performance[2] (3 year)	53%	13%[3]	+40% points

[1] Monthly revenue at date shown, annualised (i.e. x 12)
[2] % active equity mutual fund AuM in 1st or 2nd quartile when compared to competitor funds in relevant Investment Association sectors.
[3] Saracen only

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

Alternative Performance Measures

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

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

Risk Management and internal controls

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

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

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

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

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

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

Principal risks and uncertainties

The Directors continuously monitor the business and markets to identify and deal with risks and uncertainties as they arise. Set out below are the principal risks which we believe could materially affect the Group's ability to achieve its strategy. The risks are not listed in order of significance.

Risk	Responsibility and Principal Control
Profitability and Dividends – Profitability remains a key focus for the Group. Delays in profitability in the longer term could impact the Board's ability to pay a progressive dividend as well as the Group's ability to fund acquisitions.	**Board/Executive Team:** Plans are being actively implemented to cut costs and focus distribution efforts thereby increasing new business. The Group is focused on achieving run-rate profitability at the earliest possible date. The Board monitors cash management carefully.
Distribution – Corporate actions such as acquisitions and business re-structuring risk disturbing existing clients and discouraging new ones.	**Board/Distribution:** The Group continually monitors and develops its product suite to ensure that it remains competitive and attractive. Distributors and markets are carefully targeted and the status of client relationships monitored to identify risk of loss. Identified risks are suitably addressed.
Loss of Key People – The Group has managed most departures on a planned basis but going forwards will need to ensure continued retention of key staff if it is to manage client, consultant and regulatory expectations .	**Board/Remuneration Committee:** The Board regularly reviews succession planning for all senior executives. All senior executives are subject to extended notice periods (between six and twelve months). The Group seeks to offer attractive terms as well as a flexible working environment. Consideration is being given to a replacement for the Company's cancelled LTIP.
Economic Conditions – Adverse markets were a significant drag on performance in the last year. As an equity specialist the business remains vulnerable to any material fall in equity markets.	**Board/Executive Team:** The Group seeks to manage an appropriate balance of fixed and variable costs. In the event of sustained economic downturn, the Group would seek to take early action to cut fixed costs.

Systems and Controls – Operating multiple systems across multiple subsidiary and associate companies increases the risk of control failure. Managing multiple service providers also generates challenges.	**Board/Operations:** The Group has developed a detailed controls framework which is being rolled out across operating subsidiaries to create a consistent, harmonised approach. The Group is seeking to consolidate on to a single operating platform for compatible businesses as an early priority, as well as seeking to rationalise service providers.

ENVIRONMENTAL SOCIAL AND GOVERNANCE

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

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

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

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

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

Environmental

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

Social

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

Governance

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

Membership and Reporting

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

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

Acquisitions and Service Providers

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

Our stakeholders: S.172 STATEMENT

Duty to promote the success of the Company

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

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

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

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

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

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

Our primary stakeholders	How we engage with them
Clients The Company through its subsidiaries aims to provide investment products that meet the needs of clients and put those needs first.	Our distribution teams have a busy client engagement schedule and maintain contact with our clients through regular meetings, reporting and written communication. This helps us to understand our clients' needs. Members of the senior management team meet directly with key clients to understand the views of our clients and to ensure that we continue to meet our clients' expectations.

	Client engagement feeds into our regulated subsidiaries assessment that their products and services are fit for purpose and offer fair value.
Shareholders The ongoing support of our shareholders is vital in helping us deliver our long-term strategic objectives.	The Board engages with the Company's shareholders in a number of ways which include the AGM and one-to-one meetings and telephone conversations. Our AGM allows shareholders the opportunity to engage directly with the Board. The Chairman, Deputy Chairman and CEO regularly meet (in person and virtually) the Company's major shareholders to discuss the financial performance of the Company. Matters discussed with shareholders include strategy and its execution and generating strong returns. The views of shareholders have been considered and fed into the implementation of the cost reduction strategy across the Group.
Employees The Company's employees are senior experienced professionals. It is of the utmost importance to the Board that we have a culture that attracts and retains talented employees.	The senior management team engage regularly with employees through face-to-face meetings where open discussion is encouraged. Our subsidiaries have strong management teams and engage with their employees through regular meetings and all employee calls. We value our diverse workforce and seek inclusion at all levels. The senior management team has focussed on the integration of newly acquired businesses into the Group over the past year and the restructuring of certain group functions to align with the business needs. During this process, due consideration has been given to all stakeholders, including employees, shareholders and our clients. The Group is proud to support the development our employees through study loans and paid study leave. Supported qualifications include the CFA and accountancy qualifications.
Suppliers and service providers The Company places reliance on external third party suppliers and service providers for certain activities and services.	The Company is committed to the highest standards of business conduct. The selection process and engagement with these parties is undertaken by senior management. We ensure that there is an appropriate framework of oversight of our key third-party suppliers. Regular meetings are held with key third-party service providers and issues escalated to senior management where required. Material supplier selection is reported to the

Board and significant issues or risks related to suppliers will be escalated to the Board.

As described above, a key focus has been on the integration of the newly acquired businesses into the Group. Suppliers and service providers have been reviewed by senior management during this period as part of this project.

Regulators

The Group operates in the UK and US and is subject to the oversight of various regulators. We have a conduct-led culture that encourages our people to act with integrity at all times.

The Company is AIM listed and complies with the AIM Rules. We engage with our regulators through the Group's legal and compliance function by way of regular mandatory reporting as well as any ad hoc interactions required by our regulators.

Community and the environment

Due regard is given to the impact of the Company's operations on the community and environment through the activities of its subsidiaries overseen by the senior management team.

Sustainable investing is a key focus for the Group's businesses. During the period, River and Mercantile launched an Article 8 SFDR Fund and Article 9 SFDR Fund. River and Mercantile, Rize, Saracen and SVM are signatories to UNPRI. Both River and Mercantile and SVM are signatories to the FRC's Stewardship Code.

The Group aims to make an impact within the communities it operates in through supporting charitable activities undertaken by employees through a GAYE payroll scheme and donation matching (subject to cap), participation in charitable events and offering paid internships aimed at improving diversity. Examples of specific activities include a paid internship at River and Mercantile for two interns through the Girls Are INvestors ('GAIN') investment internship programme aimed at improving diversity in asset management and participation in City Hive's Fearless Women campaign where Campbell Fleming was a panellist.

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

Campbell Fleming

CEO

16 February 2023 Company Registration Number: 04966347

Consolidated Income Statement

for the year ended 30 September 2022	Notes	**2022** **£'000**	2021 £'000
Revenue	**3**	**8,175**	408
Cost of sales		**-**	(536)
Gross profit/(loss)		**8,175**	(128)
Other income	**4**	**1,977**	22,388
Administrative expenses	**5**	**(25,565)**	(7,967)
Other gains/(losses)	**6**	**(9,732)**	-
Operating (loss)/profit	**7**	**(25,145)**	14,293
Gain on bargain purchase	**8**	**3,227**	-
Finance income	**9**	**12,433**	1,844
Finance costs		**(10)**	(8)
Finance income (net)		**12,423**	1,836
Share of result of associate		**181**	-
(Loss)/profit before income tax		**(9,314)**	16,129
Income tax credit/(expense)	**10**	**59**	(1,442)
(Loss)/profit for the year		**(9,255)**	14,687
(Loss)/profit attributable to:			
Owners of the parent		**(8,440)**	14,796
Non-controlling interest		**(815)**	(109)
		(9,255)	14,687

(Loss)/earnings per Ordinary Share attributable to the owners of the parent during the year		**Pence**	Pence[1]
From continuing operations			
Basic	**11**	**(8.19)**	18.06
Diluted	**11**	**(8.19)**	16.10

[1] Prior year earnings per share has been re-stated to reflect the 10-1 share split carried out by AssetCo in August 2022.

Consolidated Statement of Comprehensive Income
for the year ended 30 September 2022

	2022 **£'000**	2021 £'000
(Loss)/profit for the year	**(9,255)**	14,687
Other comprehensive income:		
Currency translation differences	**-**	(7)
Other comprehensive (loss)/income (net of tax)	**-**	(7)
Total comprehensive (loss)/income for the year	**(9,255)**	14,680
Attributable to:		
Owners of the parent	**(8,440)**	14,789
Non-controlling interests	**(815)**	(109)
Total comprehensive income for the year	**(9,255)**	14,680

Consolidated Statement of Financial Position as at 30 September 2022	**Group 2022 £'000**	Group 2021 £'000
Assets		
Non-current assets		
Property, plant and equipment	**32**	16
Right-of-use assets	**224**	-
Goodwill and intangible assets	**24,600**	20,067
Investment in associates	**22,052**	-
Long-term receivables	**1,208**	-
Total non-current assets	**48,116**	20,083
Current assets		
Trade and other receivables	**9,700**	607
Financial assets at fair value through profit and loss	**37**	12,000
Current income tax receivable	**1,173**	3
Cash and cash equivalents	**43,066**	26,902
Total current assets	**53,976**	39,512
Total assets	**102,092**	59,595
Liabilities		
Non-current liabilities		
Deferred tax liabilities	**1,070**	49
Total non-current liabilities	**1,070**	49
Current liabilities		
Trade and other payables	**12,750**	1,972
Lease liability	**294**	-
Current income tax liabilities	**1,437**	1,437
Total current liabilities	**14,481**	3,409
Total liabilities	**15,551**	3,458
Equity attributable to owners of the parent		
Share capital	**1,493**	843
Share Premium	**-**	27,770
Capital redemption reserve	**653**	653
Merger reserve	**43,063**	2,762
Other reserves	**-**	5,496
Retained earnings	**42,426**	18,892
	87,635	56,416
Non-controlling interest	**(1,094)**	(279)
Total equity	**86,541**	56,137
Total equity and liabilities	**102,092**	59,595

Consolidated Statement of Cash Flows for the year ended 30 September 2022	**Group** **2022** **£'000**	Group 2021 £'000
Cash flows from operating activities		
Cash (outflow)/inflow from operations (note 12)	**(18,317)**	16,755
Cash released in respect of bonds	**-**	1,104
Corporation tax paid	**(31)**	-
Finance costs	**(10)**	(8)
Net cash (outflow)/inflow from operating activities	**(18,358)**	17,851
Cash flow from investing activities		
Net cash received from acquisitions	**42,148**	(16,460)
Payments for acquisition of associate	**(21,871)**	-
Interest on loan notes held in associate	**1,977**	-
Dividends received from financial assets held at fair value	**11,459**	194
Finance income	**974**	-
Proceeds of disposal of investments at FV through P and L	**1,017**	-
Purchase of property, plant and equipment	**(15)**	(8)
Purchase of intangibles	**(12)**	(1)
Net cash (outflow)/inflow from investing activities	**35,677**	(16,275)
Cash flow from financing activities		
Shares issued for cash	**-**	25,013
Costs of share issue	**(1,000)**	(515)
Payments for shares bought back	**-**	(26,850)
Buy-back transaction costs	**-**	(171)
Lease payments	**(104)**	-
Shares bought for treasury	**(51)**	-
Net cash used in financing activities	**(1,155)**	(2,523)
Net change in cash and cash equivalents	**16,164**	(947)
Cash and cash equivalents at beginning of year	**26,902**	27,860
Exchange differences on translation	**-**	(11)
Cash and cash equivalents at end of year	**43,066**	26,902

Consolidated Statement of Changes in Equity

	Share capital	Share premium account	Capita redemption reserve	Merger reserve	Other reserve	Retained earnings	Total	Non-controlling interest	**Total equity**
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 30 September 2021	**1,221**	**-**	**-**	**-**	**-**	**31,124**	**32,345**	**-**	**32,345**
Comprehensive income									
Profit for the year	-	-	-	-	-	**14,796**	**14,796**	**(109)**	**14,687**
Other comprehensive income									
Currency translation differences	-	-	-	-	-	**(7)**	**(7)**	-	**(7)**
Total comprehensive income	-	-	-	-	-	**14,789**	**14,789**	**(109)**	**14,680**
Proceeds from share issue	**173**	**24,840**	-	-	-	-	**25,013**	-	**25,013**
Costs of share issue	-	**(515)**	-	-	-	-	**(515)**	-	**(515)**
Share buy-back	**(653)**	-	**653**	-	-	**(26,850)**	**(26,850)**	-	**(26,850)**
Costs of share buy-back	-	-	-	-	-	**(171)**	**(171)**	-	**(171)**
Shares issued on acquisition	**17**	-	-	**2,762**	-	-	**2,779**	-	**2,779**
Share-based payments									
- LTIP	-	-	-	-	**5,496**	-	**5,496**	-	**5,496**
- success fee	**85**	**3,445**	-	-	-	-	**3,530**	-	**3,530**
Non-controlling interest on acquisition	-	-	-	-	-	-	-	**(170)**	**(170)**
At 30 September 2021	**843**	**27,770**	**653**	**2,762**	**5,496**	**18,892**	**56,416**	**(279)**	**56,137**
Comprehensive income									
Loss for the year	-	-	-	-	-	**(8,440)**	**(8,440)**	**(815)**	**(9,255)**
Other comprehensive income/(expense)									
Currency translation differences	-	-	-	-	-	-	-	-	-
Total comprehensive expense	-	-	-	-	-	**(8,440)**	**(8,440)**	**(815)**	**(9,255)**
Shares issued on acquisition	**598**	-	-	**41,301**	-	-	**41,899**	-	**41,899**
Costs of share issue	-	-	-	**(1,000)**	-	-	**(1,000)**	-	**(1,000)**
Share-based payments									
- LTIP	**52**	**4,255**	-	-	**(5,496)**	-	**(1,189)**	-	**(1,189)**
Share premium cancellation	-	**(32,025)**	-	-	-	**32,025**	-	-	-
Shares bought for treasury	-	-	-	-	-	**(51)**	**(51)**	-	**(51)**
At 30 September 2022	**1,493**	**-**	**653**	**43,063**	**-**	**42,426**	**87,635**	**(1,094)**	**86,541**

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION
for the year ended 30 September 2022

1. General information and basis of presentation

AssetCo Plc ("AssetCo" or the "Company") is the Parent Company of a group of companies ("the Group") which offers a range of investment services to private and institutional investors. The Company is a public limited company, incorporated and domiciled in the United Kingdom under the Companies Act 2006 and is listed on the Alternative Investment Market ("AIM") of the London Stock Exchange. The address of its registered office is 30 Coleman Street, London, EC2R 5AL.

The audited preliminary announcement has been prepared in accordance with the Group's accounting policies as disclosed in the financial statements for the year ended 30 September 2022 and international accounting standards ('IFRS'), and the applicable legal requirements of the Companies Act 2006. This preliminary announcement was approved by the Board of Directors on 15 February 2023. The preliminary announcement does not constitute statutory financial statements within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year to 30 September 2020 have been delivered to the Registrar of Companies. The audit report for those accounts was unqualified and did not contain statements under 498 (2) or (3) of the Companies Act 2006 and did not contain any emphasis of matter.

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

While the financial information included in this preliminary announcement has been prepared in accordance with the recognition and measurement criteria of IFRS, this announcement does not itself contain sufficient information to comply with IFRSs. The Company will publish its full financial statements for the year ended 30 September 2022 by 28 February 2023, which will be available on the Company's website at www.assetco.com and at the Company's registered office at 30 Coleman Street, London EC2R 5AL. The Annual General Meeting will be held on Thursday 30 March 2023.

2. Going concern

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

The directors have prepared financial projections along with sensitivity analyses of reasonably plausible alternative outcomes. The forecasts demonstrate that the directors have a reasonable expectation that the existing Group has adequate financial resources to continue in operational existence for the foreseeable future.

3. Segmental reporting

The core principle of IFRS 8 'Operating segments' is to require an entity to disclose information that enables users of the financial statements to evaluate the nature and financial effects of the business activities in which the entity engages and the economic environments in which it operates. Segment information is therefore presented in respect of the company's commercial competencies, Active Specialists and High-Growth Thematics.

No secondary segmental information has been provided as, in the view of the Directors, any overseas activities are not material. The directors consider that the chief operating decision maker is the Board.

The amounts provided to the Board with respect to net assets are measured in a manner consistent with that of the financial statements. The Company is domiciled in the UK.

The segment information provided to the Board for the reportable segments for the year ended 30 September 2022 is as follows:

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

2021	Active specialists	Exchange Traded Funds	Head office	**Total £'000**
Revenue				
Management fees	135	-	-	135
Marketing fees	-	273	-	273
Total revenue to external customers	**135**	**273**	**-**	**408**
Operating profit/(loss)	**32**	**(347)**	**14,608**	**14,293**
Investment income	-	-	1,844	1,844
Finance costs	-	-	(8)	(8)
Profit/(loss) before tax	32	(347)	16,444	16,129
Income tax expense	(6)	1	(1,437)	(1,442)
Retained profit/(loss)	**26**	**(346)**	**15,007**	**14,687**
Segment assets				
Total assets	3,518	21,742	34,335	59,595
Total liabilities	(85)	(471)	(2,902)	(3,458)
Total net assets	**3,433**	**21,271**	**31,433**	**56,137**
Depreciation	-	2	-	2
Amortisation of intangible assets	1	7	-	8
Total capital expenditure	3	5	-	8

4. Other income

	2022 £'000	2021 £'000
Interest received on loan notes held in associate	**1,977**	-
Grant Thornton litigation	**-**	25,918
Success fee	**-**	(3,530)
	1,977	22,388

Interest on loan notes held in associate

The Group has acquired a 30% equity interest in Parmenion Capital Partners LLP through a corporate entity, Shillay TopCo Limited. A large part of the Group's total investment is held by way of loan notes. During the financial year the Group received £1,977,000 of interest on those loan notes and this is reflected in other income.

Grant Thornton litigation

The case against Grant Thornton was concluded successfully on 2 October 2020. The total award came to £30.515 million of which £4.597 million was reflected in the 2020 full year accounts, as it had been awarded by the Courts irrespective of the outcome of any appeal. Other income shown in these accounts represents the balance of the Court's award, less the success fee of 15% of claim proceeds excluding costs. This item is considered exceptional as it relates to a very specific issue from the history of the Group when it was a very different business and the circumstances which gave rise to the need for litigation are unlikely to occur again.

5. Administrative expenses

	2022 £'000	2021 £'000
Restructuring costs	**3,196**	-
Costs of re-admission to AIM	**671**	360
Exceptional items	**3,867**	360
Acquisition costs	**1,116**	219
Share-based payments	**3,250**	6,273
Other administrative expenses	**17,332**	1,651
Total administrative expenses	**25,565**	8,503

Restructuring costs

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

Costs of re-admission to AIM

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

6. Other gains and losses

	2022 £'000	2021 £'000
Reduction in fair value of asset held for resale	**9,750**	-
Gain on disposal of fair value investments	**(18)**	-
Total other gains and losses	**9,732**	-

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

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

7. Operating (loss)/profit

Operating (loss)/profit is stated after charging the following:	**2022 £000**	2021 £000
Depreciation of property plant and equipment	**2**	2
Depreciation of right-of-use assets	**187**	-
Amortisation of intangible assets	**227**	8
Foreign exchange differences	**25**	89
Fees payable to the Company's auditors:		
- For the audit of the parent Company and the consolidated financial statements	**262**	132
- Audit fees re: subsidiaries	**90**	-
- Audit-related assurance services	**10**	-
- Tax advisory services	**86**	-
- Other non-audit services	**471**	-
Employee benefit expense (see below)	**15,160**	7,014
Expense relating to short-term and low value leases	**66**	36

Employee expense includes a share-based charge of £2.749 million (2021: £5.496 million) in respect of the Company's LTIP (see note 9) plus a further £0.501 million (2021: £0.777 million) charge in employers' national insurance on the share awards to give a total charge included above of £3.250 million (2021: £6.273 million).

8. Gain on bargain purchase

	2022 £'000	2021 £'000
Arising on acquisition of RMG	**3,227**	-

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

9. Finance income

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

10. Income tax charge

Group	2022 £'000	2021 £'000
Current tax:		
Current tax on (loss)/profit for the year	**(13)**	1,437
Total current tax (credit)/expenses	**(13)**	1,437
Deferred tax:		
Arising from movement in deferred tax assets	**16**	(307)
Arising from movement in deferred tax liabilities	**(62)**	312
Total deferred tax (credit)/expense	**(46)**	5
Income tax (credit)/expense	**(59)**	1,442

11. (Loss)/earnings per share

(a) Basic

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

	2022 £'000	2021[1] £'000
(Loss)/profit attributable to owners of the parent	**(8,440)**	14,796
Weighted average number of ordinary shares in issue before share split as reported – number	**-**	8,194,031
Basic earnings per share as reported – pence	**-**	180.57
Weighted average number of Ordinary Shares in issue post share split - number	**103,017,624**	81,940,310
Basic (loss)/earnings per share – pence	**(8.19)**	18.06

(b) Diluted

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

	2022 £'000	2021[1] £'000
(Loss)/profit attributable to owners of the parent	**(8,440)**	14,796
Weighted average number of ordinary shares in issue before share split as reported – number	**-**	9,877,346
Diluted earnings per share as reported - pence	**-**	161.05

Weighted average number of ordinary shares in issue post share split – number	**103,017,624**	91,873,460
Diluted (loss)/profit per share – pence	**(8.19)**	16.10

	2022	2021
	No.	No.
Weighted average number of Ordinary Shares in issue	**103,017,624**	81,940,310
Adjustment for:		
- Assumed vesting of all shares in LTIP pool	**-**	9,933,150
Weighted average number of Ordinary Shares including potentially dilutive shares	**103,017,624**	91,873,460

Note 1: The number of shares in issue and earnings per share for 2021 have been restated to reflect the 10-1 share split in August 2022.

12. Cash (outflow)/inflow from operations

	Group 2022 £'000	Group 2021 £'000
(Loss)/profit before tax	**(9,314)**	16,129
Adjustments for:		
Share-based payments		
- LTIP	**2,749**	5,496
- Success fee	**-**	3,530
Cash effect of LTIP	**(3,938)**	-
Share of profits of associate	**(181)**	-
Interest received from associate	**(1,977)**	-
Reduction in fair value of investments	**9,750**	-
Gain on disposal of fair value investments	**(18)**	-
Increase in investments	**-**	(12,000)
Proceeds of asset held for resale	**5,462**	-
Bargain purchase taken to other income	**(3,227)**	-
Depreciation	**14**	2
Amortisation of intangible assets	**227**	8
Amortisation of right-of-use assets	**187**	-
Finance costs	**10**	8
Finance income	**(974)**	-
Dividends from investment held at fair value	**(11,459)**	(194)
Changes in working capital		
- Trade and other receivables	**928**	4,367
- Trade and other payables	**(6,556)**	(591)
Net cash (outflow)/inflow from operations	**(18,317)**	16,755

13. Long Term Incentive Plan cancellation

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

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

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

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

	Shares No.	2022 £000
Shares issued on 5 July 2022 at £8.30 each	518,909	4,307
Shares "retained" to fund cash payment of employees' PAYE and NI liability	474,406	3,938
	993,315	**8,245**

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

	Total £000	**2022 £000**	2021 £000
Shares issuable under LTIP	**8,245**	2,749	5,496
Employers' national insurance	**1,278**	501	777

Total share-based payment charge	**9,523**	3,250	6,273

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

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

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

14. Post balance sheet events

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

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

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

On 20 October 2022 River and Mercantile Holdings Limited completed the renewal of lease agreements for one and three years on the property at 30 Coleman Street, London which is the registered office of AssetCo and from which all non-Edinburgh based group companies operate. In its results for the subsequent period the Group will recognise a right of use asset and lease liability for the new lease agreement. The contractual maturities on the undiscounted minimum lease payments under the new lease liability amount to £323,000 due within one year and £1,122,000 due between one and three years, giving a total commitment of £1,445,000.

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

There are no other post balance sheet events.

15. Annual general meeting

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

16. Electronic communications

This Preliminary Announcement is available on the Company's website www.assetco.com . News updates, regulatory news and financial statements can be viewed and downloaded from the company's website, www.assetco.com . Copies can also be requested, in writing, from The Company Secretary, AssetCo plc, 30 Coleman Street, London EC2R 5AL. The Company is not proposing to bulk print and distribute hard copies of the Annual Report and Financial Statements for the year ended 30 September 2022 unless specifically requested by individual shareholders; it can be downloaded from the Company's website.