Expanding our horizons.

Annual Report & Audited Financial Statements

For the year ended 30 April 2021

Global professional administration services

2021.

A year of expanding our professional administration expertise, technical resource and global reach across 17 jurisdictions.

Contents

Business and Financial Highlights

-2% ↙

Revenue Growth
(2020: 7%)

£3.4m ↗

EBITDA
(2020: -£2.0m)

£11.4m ↙

Underlying EBITDA
(2020: £11.5m)

55% ↗

Private Client & Corporate Gross Profit Margin
(2020: 54%)

49% ↗

Funds Gross Profit Margin
(2020: 42%)

62% ↙

Pensions Gross Profit Margin
(2020: 70%)

£2.9m ↗

Net Cash Flow
(2020: -£1.3m)

£7.9m ↗

Operating Cash Flow
(2020: £2.8m)

£6.6m ↗

Net Debt
(2020: £11.6m)

489

Employees
(2020: 493)

35%

of Group owned by staff

75%

of management are shareholders

Notes
EBITDA is a widely recognised measure of profitability after adding depreciation, amortisation, interest and tax back to loss for the year.
Underlying EBITDA excludes exceptional or non-recurring charges (see page 17).

We continue to generate returns through three principles across an evolving service line structure.

Recent events and their implications for the future

As many reading this will already be aware, the Group will undergo significant change in 2021 with the sale of our Funds Division to Sanne Group Plc announced in July 2021. Although this does not affect the results reported herein (year ending 30 April 2021), the move will impact how the Group operates going forward. Structural changes and a refreshed investment programme will see the business focus on its foundation pillars in both Private Wealth and Corporate Services, pillars that are almost 50 years old. Our Pensions Division will bridge these two service lines becoming further integrated with them, offering an enhanced service delivery.

The three principles that have guided our success to date remain firmly in place:

1. We provide governance, oversight and professional administration services across Private Wealth, Corporate Services and Pensions
2. We succeed because of the longevity and quality of relationships we have with our clients and our people, who have access to our innovative and user-friendly technology
3. We believe in protecting assets and preserving generational wealth

Our financial year

Focusing on the efficiency of our operations and the expertise of our people

Our success is rooted in three core areas – operational excellence, client interaction and process efficiency. Hence, providing a more secure, easier and more immediate experience for all, cementing existing client relationships and creating new ones.

Building on operational success

Driving continual operational improvements is at the heart of how we work. Since the merger of Praxis and IFM in 2015, the Group has worked towards a common systems platform with the centralisation of operational functions enabling significant improvement in our client service delivery.

A committed and talented team

The Group's policy of nurturing internal expertise and actively seeking high calibre joiners, has resulted in the development of a strong, innovative and highly motivated team.

Despite the challenges of COVID through 2020 we continued to develop the Group's expertise and experience through our active training programme, building an industry-leading team of people, committed to delivering excellence at all levels.

Adapting to change

The Group continues to adapt to shifting working practices. We have reviewed our infrastructure and networks and are enhancing our systems to facilitate a more flexible working environment for our people.

Reinforcing security and compliance

The Group continues to make data security and regulatory compliance a core consideration for both our infrastructure and our business systems.

Business systems. Further development. Further efficiency

We work closely with our technology partners to continuously develop functionality and to automate processes. From the foundations we have built in our middleware (bookkeeping, accounting and administration) with increased capability our focus is now on enhancing the front and back end systems underpinning our client engagement and administrative processes.

Where our clients need us

The Group operates globally with experienced teams in 17 locations : Anguilla, BVI, Cayman Islands, Curacao, Guernsey, Hong Kong, Isle of Man, Jersey, Luxembourg, Malta, Mauritius, Netherlands, New Zealand, Switzerland, UAE, UK and USA.

Our brand. One global, independent voice

The Group now presents a single brand face to the world. The one exception is Nerine in the BVI, which will retain its strong brand in the region for the foreseeable future. The consistency of our brand presentation across all markets reinforces recognition and recall, further strengthening our reputation for both operational and client service excellence.

Service Lines as at 30 April 2021

Private Client & Corporate Services

Operating in 17 jurisdictions under the PraxisIFM Trust brand

Comprehensive range of administration, compliance, governance, reporting and regulatory services

Clients are HNWI, corporations, family offices, asset managers

Footprint provides globally integrated service and seamless client experience

Facilitates BEPS compliant overseas expansion for growth companies

Pension Services

Operating in 2 jurisdictions under the Trireme and Cavendish Brands

Over 300,000 members

DB, DC, and personal pensions and gratuity schemes

Specialist annuities

Fund Services

Operating in 7 jurisdictions under the Praxis Fund Services brand

Provision of fund formation, transfer, accounting, compliance, governance and administration services

Clients are London listed, property, debt, private equity, open ended funds

IFM offers AIFM, principal management, and risk advisory services

Service Lines from 1 January 2022

Private Wealth

Private Wealth will continue to work closely with High Net Worth and Ultra High Net Worth individuals and families across the globe, focusing and specialising in the protection and nurturing of their private capital, residential and commercial real estate, and financial and non-financial assets.

Corporate Services

Corporate Services will continue to work closely with SMEs, public companies and sovereign wealth funds providing an extensive range of services covering administration, financial reporting, tax compliance, corporate governance, treasury management, and employee incentivisation and reward structures.

Pension Services

Pension Services will bridge Private Wealth and Corporate Services, expanding and growing with the enhancement of existing business and the pursuit of fresh opportunities in the industry. It will aim to expand its present activities, growing members and building on its offering to both private individuals and corporate clients.

Chairman's Introduction

I am delighted to present our annual report for 2021, which shows the significant progress which Rob and the executive management team have delivered over the last 12 months. Supporting our clients through the challenges presented by both Brexit and then COVID, whilst laying down the foundations for the Group's future success.

The announcement in July 2021 of the sale of the Fund administration business will see the Group refocusing back to its Private Wealth and Corporate roots and provides the perfect opportunity to further enhance the services delivered to our clients at a time when they are growing globally and requiring stronger counterparties to service their increasingly wide footprints. As a Board we are very confident in the prospects for the business and committed to establishing the Group as a global leader in its field.

Key to any client focused business are the systems and people and over the last couple of weeks I have started to observe first-hand the teams passion and capabilities to support our customers. As we look forward to 2022, the Board is committed to both developing and retaining our talented staff and continuing to introduce new technology to further improve the way we work and our client service offering.

"As a Board we are very confident in the prospects for the business and committed to establishing the Group as a global leader in its field.

On a personal note, it is an honour and a privilege to take-on the role of Chair and non-Executive Director of PraxisIFM Group Limited at what is an exciting point in its long history and I would like to thank my fellow directors for the counsel they have provided to management in steering the Group over the last 12 months. In joining the Board, I believe that my broad experience in both public and private companies, and across several industries, including Financial Services, with a common theme that the businesses all have a strong entrepreneurial spirit and a can-do attitude, will complement my colleagues and allow me to add value in this important role. As I look to the months ahead, I look forward to having the opportunity to engage with both our shareholders and staff.

Finally, Brian Morris is due to step down from the Board on 30 September 2021. I would like to take this opportunity to thank Brian for his support over the last 37 years, most recently as a non-executive director of the Group and on behalf of our staff, the board, shareholders and customers wish him a happy and prosperous retirement.

Iain Torrens
Chairman

27 September 2021

Chief Executive's Statement

Looking back over the past financial year, I feel I first must address the events of the last few months, events that have presented a unique strategic opportunity and will significantly alter the structure, operational capability and future trajectory of the business.

Sale of our Funds Division to Sanne Group Plc

Since our year-end, we have announced the sale of our Funds Division to Sanne. The sale includes our business in Luxembourg, but we have retained our Cayman operating company. This transaction represents a departure from our three operating pillars and signals a return to our foundations of Private Wealth and Corporate Services that are almost 50 years old.

We believe that focusing on our foundation pillars, pillars that have historically delivered the highest margins, is strategically right and the offer from Sanne is a timely opportunity for us to advance the development and ongoing growth of the Group.

Our two foundation service lines together have represented 72% of the Group turnover and been structured as one service line. They are outsourced administration services provided to our existing clients. We believe it is a logical step to divide these two pillars into separate service lines allowing a greater focus on each and the distinct specialisms that each service line delivers.

Our Pensions Division will then bridge our two foundation pillars, becoming more fully integrated with both. Some restructuring of our pensions businesses in Guernsey is underway which we believe will make us more attractive to new clients, improve the quality of service to our existing clients and enhance our margins.

> "focussing on our foundation pillars is strategically right and a timely opportunity to advance the development and ongoing growth of the Group.

The sale of our Funds Division enables us to create a more efficient, systems-enhanced operation. This will not only aid client retention, in the face of increasing global competition, but will also make us increasingly attractive to new clients through our improved technology platform. We are confident our greater efficiency and capability will drive the desired increases in EBITDA margins.

The greater concentration on building on our foundations also enables us to enhance and strategically target our marketing efforts, broadcasting our strengths more effectively across all markets.

More about the future, next year. For now, let us return to the past financial year, a year that saw us progressing well and posting a strong rebound on the results of the previous year.

COVID-19

COVID-19 was a challenge faced by all of us during the past financial year and navigating the twists and turns in each jurisdiction became very much a part of our daily life. It's a situation that although improving, remains with us.

Our people and clients are at the heart of our business and our focus has always been on their safety and wellbeing. The focus on protecting the interests of our clients' and continuing to deliver the highest service standards has helped us all adapt to the frequently changing and wide-ranging restrictions placed on us. To date, the disruption that the pandemic has brought has had no measurable financial impact on the Group. However, we remain vigilant, flexible and ready to act should it be necessary at any point.

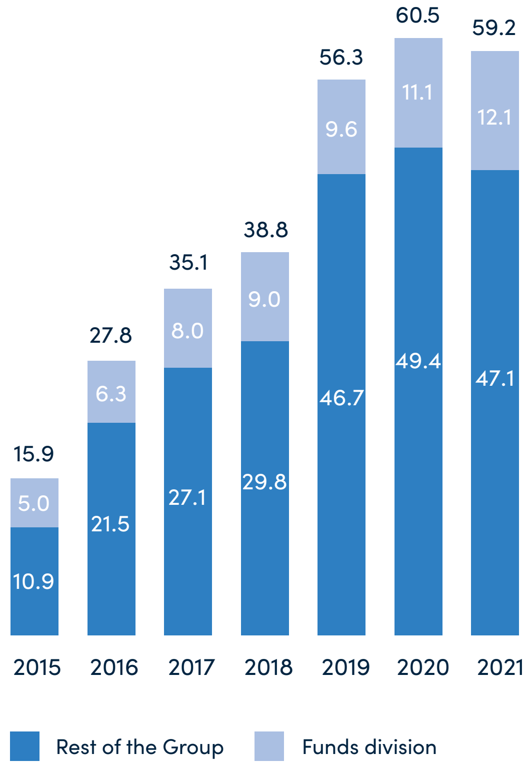
A performance rebound

Against the backdrop of disruption caused by the global pandemic and the uncertainty created by both Brexit and the US elections; the Group has delivered good results and a strong rebound from the results of the prior year.

I believe these results demonstrate not only the quality of our business and our people but also the undoubted resilience of the sector in which we operate.

Both our Pensions and Funds Divisions performed well with our Malta pensions business delivering very strong revenue growth (32%) during the year. Technology is at the forefront of our pensions business, and we are confident our investment into the ProFund platform will help continue that strong revenue growth while also adding to the quality of service delivered to our clients and improving our administrative efficiency.

Revenue per financial year (£m)



Chief Executive's Statement
continued

Our Funds Division returned good results with strong revenue growth (9%) being delivered in both the Guernsey businesses as well as our UK business. This organic growth also dropped through to the gross profit and EBITDA margins.

The revenue in our Private Client & Corporate Service Lines has decreased by 5% through the year, primarily from client attrition from acquisitions made in Guernsey, Netherlands, and the United Kingdom. This attrition primarily reflects client exits as the client structures are brought into our business frameworks. Some attrition has also resulted from clients reviewing their affairs during the pandemic.

During the year we pulled back from providing regulated services through our Mauritius office, allowing it to focus on the provision of outsourced services to other Group offices. Our regulated business in Mauritius was small with revenue of £0.4m and the ongoing cost of retaining the regulatory licence for a business of this size was becoming prohibitively expensive. Some of this revenue has been transferred to other Group offices with the remainder transferred to another service provider from which we will receive a trailing fee over a three year period.

New business enquiries and inflows remain reassuringly strong within the Private Client and Corporate Service Lines, and a welcome return to client and intermediary face-to-face meetings will reinforce our many long-standing relationships.

Our efficiency initiatives mean that both the gross profit and EBITDA margins improved during the year.

Improving our performance has been at the heart of our efforts over the last 12 months and our work continues. The recently announced sale of our Funds Division, and the benefits that brings to the Group, allows us to refocus on our key areas for improvement:

- Ensuring our client facing teams are correctly resourced at all levels so that they operate effectively with high rates of efficiency
- Making wider use of technology to improve efficiency by automating, for example, process driven tasks
- Broadening the use of outsourcing within our Group so that some administrative and back office functions are carried out in our lower cost jurisdictions
- Continuing to improve our cash conversion and drive down our debtor days
- Focusing on the performance of our developing businesses to ensure they contribute fully to the Group as early as possible.
- Drive organic growth across the Group and focus on new business development and cross-selling opportunities

ESG

As a Group we fully recognise our Environmental, Social and Governance responsibilities. During the year we established an ESG Committee reporting directly to the Executive Committee to guide us on this topic. The importance of ESG cannot be understated. Our thinking and action on this is outlined in more detail on page 24.

> “we will redefine our culture built on the shared values and principles that bind us all together.

Dividend Policy

The Board recognises the importance of a regular and progressive dividend to our shareholders and will provide further details on the future dividend policy following the completion of the sale of the Funds Division.

Chair Search and Board Changes

Since our Annual General Meeting in December 2020, the Nomination and Remuneration Committee has undertaken a thorough process to identify and appoint a new non-executive Chair to the board. I am delighted that through this search we recently announced that Iain Torrens has accepted this role and I look forward to working closely with Iain in the future.

Earlier this year we announced the appointments of Stephanie Coxon, as a non-executive director and Chair of the Audit Committee, and Peter Gillson as a non-executive Director representing the interests of the Group's largest shareholder, the Financial Services Opportunities Investment Fund. Both Stephanie and Peter bring considerable experience and expertise to the Board and I am delighted they accepted the appointments.

After 37 years with the Group, Brian Morris has decided to retire from the Group Board with effect from 30 September 2021. Following the merger of Praxis and IFM in 2015, Brian took on the role of Chair until the Group's listing on TISE in April 2017. I would like to thank Brian for the significant contribution to the Group over many years and wish him well for his retirement.

Our people and culture

We know all too well that our business is powered by the skill, commitment, and hard work of our people. Without them, we would not be the success we are today. As we embark on our newly focused journey, we will redefine our identity built on the shared values and principles that bind us all together.

We recognise the value of a strong culture, not just in creating the internal bond that keeps us together, but in powering the business forward with a strong commitment to the levels of service our clients, and future clients, expect from us.

Quality relationships and enhanced investment

With the Group strategically focused on Private Wealth and Corporate Services, we will create a very attractive equity story through several key initiatives that are integral to our brand.

This brand has been built on the strength of our client service, particularly in our Private Wealth Service Line, where the ability to communicate and respond in an efficient and reassuring way has enhanced trust through personal contact, integrity and, ultimately, timely delivery.

It is this core strength, the ability to build through personal contact, that we intend to use to our full advantage going forward, growing a business with a signature ability to work with people, not just structures.

This drive will centre around a renewed commitment to investing in technology and systems to ensure our client interface and internal efficiency are of the calibre needed to compete at the leading edge of both businesses.

Global demand for high calibre Corporate Services is growing. Our intention is to tap into this growth, leveraging our existing skills and more efficient operational capability to drive and build on our significant reputation in the market.

And so, in closing, I would like to thank all our people for their hard work and commitment over the last year. Special thanks and appreciation to our Funds team. We wish you all every success in the future. I firmly believe the transaction we have announced is not only in the Group's best interests, but also in the best interests of all of you. I have no doubt that you can and will now build on the strong foundations we have put down together.

Finally, I thank our shareholders for your continuing support during what has been a difficult period. I believe we are now on an exciting, focused track, one that will reward us with robust growth and consistent success in the future.

Robert Fearis
Chief Executive Officer

27 September 2021

Private Client & Corporate Services

Our Private Client & Corporate Services Division specialises in the formation and administration of bespoke structures. Established in 17 jurisdictions and with 330 employees, it enables us to offer Private Clients and Corporate Clients a comprehensive range of solutions.

Our Private Client teams work closely with High Net Worth and Ultra High Net Worth individuals and families across the globe, focusing on the protection and nurturing of their private capital, residential and commercial real estate, and financial and non-financial assets.

Our Corporate Client teams work closely with SMEs, public companies and sovereign wealth funds providing an extensive range of services covering administration, financial reporting, tax compliance, corporate governance, treasury management, and employee incentivisation and reward structures.

Our independence and demonstrable track record in delivering efficient, reliable and comprehensive administration services across our international network of offices supports our clients in achieving their strategic goals.

The success of our Private Client and Corporate Services business is built on the back of our professionalism and integrity, ensuring that we are always accessible to our clients and responsive to their needs. Our approach is that of partnership with our clients.

Our clients typically require trustee and corporate services in relation to a wide range of structures including trusts, companies, investment and financial holding vehicles, joint venture vehicles, partnership arrangements and private fund arrangements. Administering such structures is a core part of our business. The expertise of our teams gained from many years of practical experience ensures we can provide our administrative services across a wide range of complex and demanding structures.

The Private Client and Corporate Services Division targets growth through increasing the number of structures under its administration, as well as through increasing the scope and value of services provided to its existing clients. New business is typically generated through our extensive professional intermediary network of international bankers, lawyers, accountants and financial advisors.

Our financial year started shortly after the commencement of the global outbreak of the COVID-19 pandemic. Accordingly, the focus turned to ensuring we had the right resources to navigate the immediate challenges being presented to our clients. We also had to consider how to best position our business for the long term. With COVID-19 gripping the world and posing unprecedented health, social and economic challenges, the shocks of which were profound even in the world's strongest economies, immediate action was taken to protect our clients, our employees and our business.

Clients experienced an initial drop in revenues caused by disrupted income streams and the fall of the financial markets. Residential and commercial rentals were initially hit due to lessees experiencing financial difficulties caused by effects on their own personal circumstances or businesses activities as well as lockdown obligations. Clients' new investments and completion on transactions were put on hold due to the uncertainty of the longer-term effects of the pandemic.

The fall in the financial markets was short-lived. The v-shaped recovery came very quickly, before any form of panic set in. Central bank intervention was very quick helping market sentiment and reassuring clients. We continued to support and keep a watchful eye over our clients financial assets, and at the same time clients have become increasingly financially aware, most understanding that the fall in financial markets was an irrational market event. The strong, sustained rally afterwards helped to reassure them to stay invested and recover any potential losses.

17

Jurisdictions

330

Employees

72%

of Group Revenues

Corporate structuring in Hong Kong, one of the leading finance centres in the world.

Global services strategy has recently expanded into yacht ownership services in Malta.

Private Client & Corporate Services
continued

Lockdowns have led to clients spending more time with their families during isolation which has given them more thinking time, more time to consider their own mortality. Greater emphasis has been placed on family and relationships. More thought is being given to the next generation and the passing on of wealth and their involvement in patriarch and matriarch structures.

Clients had more time to appreciate and value the environment. Media reports about how the environment has benefited from a working from home population has encouraged a cultural change. Our financial year has coincided with an increasing demand on the investment management industry for responsible and sustainable investing solutions. There has been a substantial increase in product and service offerings from leading investment houses who have embraced this, and we are adapting our own service offerings and global operations to align ourselves with the views and needs of our clients.

Our Corporate clients have seen increased environmental, social and governance regulation. Expectations from businesses stakeholders questioning and voting with responsible investing in mind are having a huge influence on corporate behaviour and we are working closely with our Corporate clients to ensure that the services we provide complement their regulatory requirements and environmental and social commitments.

> “success is built on the back of our professionalism and integrity ensuring that we are always accessible to our clients and responsive to their needs.

Throughout this difficult period we have worked even closer with our clients, providing regular reassurances of our support and continuity of service delivery.

Enforced global lockdowns, affecting some of our international offices on more than one occasion, have had a material impact on the way we operate and how we interact with and look after our employees. COVID-19 has had a massive effect on individuals working life and family situations. How we treat our employees now will have a significant impact on their wellbeing, and consequently on their loyalty and productivity. We have, and will continue to be, highly supportive of our staff in seeking ways to better balance working life with their responsibilities to their families and communities.

In line with the Group's continued global services strategy, it has recently expanded into yacht ownership services in Malta. As a result, the Private Client and Corporate Division is now able to offer yacht ownership solutions and crew employment services, helping yacht owners and their representatives to understand the diverse requirements associated with luxury asset ownership, while providing a secure financial structure that enables effective operation and management.

On the 31 December 2020 we saw the end of the Brexit transition period and the UK formally left the European Union, effective on the 31 January 2021. During the transition period there was great speculation about how Brexit would affect the UK economy and in particular the possible impact it would have on other global economies, especially in the areas of international trade and corporate transactions. While the COVID-19 pandemic has taken centre stage this year, the Private Client and Corporate Division is yet to experience significant impact from Brexit. Opportunities have continued in providing services involving the structuring and on-going administration of special purpose vehicles involved in cross border transactions.

Underpinning all this is our continued commitment to the training and development of our employees who are an extraordinarily strong and talented pool of individuals. We recognise that recruiting, retaining and appropriately rewarding talented people is at the core of our continued success.

Richard Kearsey, Matt Litten, John Medina
Co-Heads of Private Client & Corporate Division

27 September 2021

Fund Services

7

Jurisdictions

90

Employees

20%

of Group Revenues

The Funds Division is focused on providing the formation and administration of fund structures for our clients across several sectors.

These include, private equity, property, equities, debt, renewables and infrastructure, and cover both open and closed ended fund types. Additionally, the Funds Division, in particular Guernsey and London, has a market leading position in providing services to London listed funds with over 20 now being serviced.

Through our management company, International Fund Management Limited, we offer risk management, regulatory and Alternative Investment Fund Managers Directive services to funds or investment structures that may require substance or assurance of regulatory compliance.

We approached this year cautiously with the pandemic backdrop and concerns as to how the worldwide lockdown would affect clients, growth and new business opportunities. While the first quarter of the financial year saw slow reaction from the markets, they recovered quickly throughout the remainder of the year. Our businesses adapted well to working from home and staff showed their commitment and ability to adapt under these conditions. Off the back of continued high levels of service and strong introducer relationships we managed to gather an exciting array of new business wins and transfers. This was all supported by staff across the Group working efficiently from home with technology proving to be resilient to the changing work conditions.

The Funds Division has managed to produce a good set of results for the year helped by a good base of mature clients and new business pipeline. Organic income growth was over 10% and there was a material improvement in performance and margins across various offices, all driven by our market leading client service and flexibility.

The strategic focus on the growth of our business remains consistent with a focus on growing offices to achieve economies of scale, growing our product offering to keep ahead of markets and regulatory changes. Facilitating the generation of health new business pipelines in this way has always been at the heart of our strategy.

The sale of the Funds division was announced following the year end. We see this as an opportunity to grow further with a larger corporate funds focused business, one with an extensive global footprint, one that values our book of clients and strong client relationships.

Chris Hickling
Head of Funds Division

27 September 2021

Pension Services

Our Pensions Division has enjoyed a relatively stable year in the midst of a very unstable world. Our Malta office in particular has excelled and experienced a number of successive months of record new business.

Private client business has been very strong with many people seeking to formalise retirement and succession planning. Our expansion into the corporate sector has seen a number of contracts won for the provision of services to major employers. The year provided the perfect opportunity to take stock and ensure that our continued expansion is delivered in a robust and scalable manner, ensuring that we were primed to embrace the opportunities of the new financial year.

While it seems a very long time ago now, the new calendar year finally brought Brexit to reality. Many of our clients are UK ex-pats and it was a concern as to whether the acrimonious split of the UK from the EU would impact cross border structuring; to date this has proven to be a misplaced fear, with the free movement of pensions between the UK and EU continuing. This uncertainty led to the record flows of business mentioned above; prior to 31 December 2020 we saw a significant increase in new business from clients wanting certainty on where their pensions would be after the fireworks had faded. The new year commenced with an even bigger increase of new business from clients who were now comfortable that no doomsday scenario had presented itself and were now content to complete their long term planning.

We have been fortunate to come through the turbulence of the prior year with minimal disruption. It has, of course, been a challenge which has inevitably led to a need to evolve priorities. The need to be alive to such a fast-moving situation has also given us the opportunity to test the resilience of our services and operating procedures. Our two primary pension offices in Guernsey and Malta have experienced very different conditions over the past year, both in day-to-day operations and community restrictions that have become a necessity the world over, however we have proven that our staff and systems can not only cope but thrive in an ever changing environment.

Darren Gibbs
Head of Pensions Division

27 September 2021

> “we have proven that our staff and systems can not only cope but thrive in an ever changing environment.

2

Jurisdictions

23

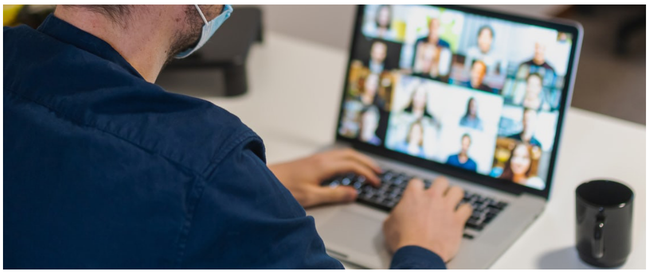
Employees

7%

of Group Revenues

Malta office has experienced a number of successive months of record new business.

Our Guernsey office has continued to thrive despite community restrictions that have become a necessity the world over.



Chief Financial Officer's Report

The year ending 30 April 2021 has seen the Group's results recover from the year ended 30 April 2020 while also weathering the global pandemic and protecting our clients, employees and business. The focus on integration has continued, with significant progress seen in a variety of areas, and the concentration of our business on core services and values has been maintained.

Divisional Review

Private Client & Corporate

Private Client & Corporate remains the largest division in the Group and accounts for 72% (2020: 75%) of Group revenue. The Division generated revenue of £42.4m (2020: £45.2m) during the year and delivered gross profit of £23.5m (2020: £24.2m).

Funds

The Funds Division accounts for 20% (2020: 18%) of Group revenue and generated revenue of £12.1m (2020: £11.1m) during the year. The Division delivered gross profit of £5.9m (2019: £4.6m).

Pensions

The Pensions Division accounts for 7% (2020: 6%) of Group revenue and generated revenue of £4.2m (2020: £3.4m) during the year. The Division delivered gross profit of £2.6m (2020: £2.4m).

The Group has a mixed client base which is well-diversified, with no single client comprising more than 2.6% of continuing revenue in the financial year ended 30 April 2021. Furthermore, the top 10 clients accounted for less than 12.4% of continuing revenue.

Qualified audit opinion

Our auditors, BDO Limited, have qualified the audit opinion of the Group based on the prior year comparative results. The qualified opinion is the same as the prior year and takes the form of a limitation of scope over the discontinued operations for the prior year comparatives in the period from 1 May 2019 to its disposal on 31 March 2020. Full detail on this qualified opinion can be found in the annual report for the year ended 30 April 2020, and the qualification does not relate to or impact the results for the year ended 30 April 2021.

COVID-19 Impacts

We recognise that in the ongoing COVID-19 business environment there is an increased need to monitor business performance and cash flows for indicators of impairment.

Thus far, the Group has not seen a material impact of the pandemic on either client activity, or on cash collections. Increased focus has been placed on clients from business sectors likely to have been significantly affected by the pandemic, with appropriate provisions made against debtors.

Monitoring to identify potential impacts will continue, and when combined with the rigor around our cash collection processes will help safeguard the Group.

Underlying EBITDA of the continuing business

Underlying EBITDA is a non-GAAP measure of financial performance of the Group. Non-underlying items represent specific items of income or expenditure that are not of an operational nature and do not represent the underlying operating results or cashflows and, based on their significance in size or nature, are presented separately to provide further understanding about the financial performance of the Group.

Key internal and external performance measure of the business and is representative of what the business can achieve once integration projects are concluded, synergies are fully realised and developing offices achieve break even on their performance. For the year ended 30 April 2021, the Funds division is a continuing operation.

A reconciliation of the underlying EBITDA of the continuing business is presented and detail on individual line items follows.

	2021 £'000	2020 £'000
Continuing (Loss) / Profit after tax	**(5,401)**	**(10,420)**
Interest	800	1,043
Tax	1,169	1,205
Depreciation	1,219	1,577
Amortisation	5,566	4,624
Continuing EBITDA as reported	**3,353**	**(1,971)**
Non-underlying items		
Goodwill impairment	4,631	931
Professional fees	1,013	1,330
Developing offices	971	1,406
Provision for onerous lease	714	–
Costs related to integration of acquisitions	665	987
Senior staff restructuring	419	4,542
Loss on IARG	–	3,451
Impairment of Electro Holdings	–	292
Annualisation of acquisition	–	267
Loss on IARG loan	–	249
Exceptional income	(345)	–
Continuing Underlying EBITDA	**11,421**	**11,484**
Continuing Underlying EBITDA margin	**19.3%**	**19.0%**

Chief Financial Officer's Report
continued

Developing Offices
Developing offices include UAE, Hong Kong and USA.

Our UAE office opened in 2018 following the acquisition of Ryland Gray Technology Consultancy. The office experienced challenges in getting its End of Service gratuity scheme underway, which was then launched in 2019. The growth of the scheme drove improvement in the year, and the office is continuing to build its presence in a positive direction.

Our Hong Kong office is the combination of the acquired Nerine and Jeffcote Donnison Hong Kong operations. The integration of this had been delayed by the public unrest in the region in 2020 but has now been completed. The financial performance of the office has improved significantly and it is expected that this office will achieve targeted performance levels on an ongoing basis in the next financial year.

Our USA operation began in 2019 and has achieved modest revenue levels since. The Group sees this as a key market for the future and is considering its strategy for further growth in this region.

Professional fees
This includes professional fees for Group projects which are not recurring in nature and not part of the ongoing operating activities of the Group. Several line items from the prior year report (due diligence engagement, exceptional legal fees, other items incurred and prior year audit overrun costs) are included under professional fees. For the year ended 30 April 2021, professional fees included the following items;

- External due diligence fees on the aborted Oak acquisition
- Exceptional legal fees
- Prior year audit overrun costs

Provision for Onerous Lease
This relates to the lease for Nerine House which was part of the Nerine acquisition. The building has now been fully vacated, is no longer in use, and has not yet been sub-let.

Costs Related to Integration of Acquisitions
This includes projects related to integration which have substantially completed during the year and covers staff costs for employees engaged specifically for integration projects, staff time spent on integration projects which would otherwise have been chargeable, and expenses incurred for integration such as overlap of office rental periods and systems migrations.

Exceptional Income
This relates to a commission received from the onward sale of the RiskCo business disposed of in the prior year, along with COVID-19 related government support payments for our Hong Kong and Geneva operations.

Cash
Cash from operating activities has improved substantially, indicating that the cash flows of the underlying operating businesses are consistent, and that some of the cost restructuring undertaken in the prior period has had the intended impact. This was also driven by improved collection of debtors. At 30 April 2021, gross debtor days was 125 (2020: 132) and net debtor days was 103 (2020: 107).

Cash from investing activities was positive compared to prior year, due to the sale of the Group's 49% holding in Electro Holdings Limited. Purchases of tangible and intangible assets in the prior year were driven by discontinued operations and have now returned to a more sustainable level.

Turning to financing activities, the Group restructured its bank facility, converting £5m of its overdraft into an additional term facility during the year. Repayments continued to be made on both the original and new facilities, with £3.8m of bank debt repaid in the period (2020: £2.5m). At the year end the Group had £25m of committed facilities, of which £18.1m were drawn. Further detail on the bank facilities and amortisation schedule can be found in note 21 of the financial statements.

The Group has also paid down the majority of its deferred consideration due on acquisitions during the year (see note 26 of financial statements for breakdown). The remaining deferred consideration is payable in Group shares, and therefore no future cash impacts are expected. Bank debt has also continued to be repaid.

As a result of this, the Group's cash position net of the overdraft facility at 30 April 2021 was £15.5m (2020: £13.1m), and the Group's net debt was £6.6m (2020: £11.6m).

Goodwill

Goodwill at 30 April 2021 was £41.9m (2020: £51.9m). This represents the single largest balance on the Consolidated Statement of Financial Position and is made up of a number of subsidiaries acquired (see note 12 for a breakdown of the individually significant components of goodwill).

As the businesses acquired have been integrated into existing operations, the Group has reviewed and refined its methodologies for assessing individual items of goodwill and identifying indicators of impairment, detailed below.

- Fair value less costs to sell, based on an estimated sale multiple
- Value in use, based on a discounted cash flow of the estimated future revenue streams

Should indicators of impairment be identified, this triggers a deeper dive into the revenue underpinning the goodwill. The client book acquired is analysed on an entity-by-entity basis to assess attrition and an estimation is made of the remaining useful economic life of the client population.

The impairments recognised in the year relate to items of goodwill where there has been significant attrition of the client book since acquisition, to the extent that the valuation of the goodwill is no longer supported. Where required the estimated useful economic life for each of the impaired items of goodwill has also been adjusted to reflect the remaining client profile.

Audit Tender

Following the conclusion of the audit for the year ended 30 April 2020, the Group commenced an audit tender process. The purpose of this was to assess the Group audit relationship for its next phase of growth and to ensure its auditor could deliver what the Group required. It also served to benchmark audit fee levels.

The Group is pleased to report that, following a fair and comprehensive tender process, it has re-appointed BDO Limited as its auditor. BDO reviewed its approach to the audit from the ground up to ensure that it was matched to the Group's size, structure and intended growth. The Group looks forward to continuing to work with BDO.

Change of Financial Year End

With effect from 1 May 2021 the Group has changed its accounting reference date from 30 April to 31 December to align its financial year end with the calendar year. This represents a move to the standard accounting reference date for our industry and also serves to align a variety of internal processes.

The expected impacts for the Group's financial calendar are;

- Unaudited interim accounts for the six-month period from 1 May 2021 to 31 October 2021 will be replaced by a trading update announcement to be released during January 2022; and
- Audited accounts for a shortened eight-month period from 1 May 2021 to 31 December 2021 are expected to be published by the end of May 2022.

Following on from this transitional period the Group will return to publication of interim and annual accounts in line with its reporting requirements.

Sale of the Funds Division

The sale of the Funds division for £54m was announced on 28 July 2021 and is subject to customary regulatory conditions. The Group expects the transaction to close during the fourth quarter of 2021.

Richard Morris
Chief Financial Officer

27 September 2021

Risk Statement

Introduction

As a provider of regulated financial services in various highly regulated jurisdictions, risk management and compliance is at the centre of our daily activities within the Group. Accordingly, the Board promotes a strong culture of risk awareness across the Group, such that risks are assessed and accepted in a controlled and considered manner through the application of clear policies and procedures in line with industry best practice, thereby ensuring that any potential impact is kept to an acceptable level, in line with the Group's risk appetite.

To ensure adherence to the Boards stated risk appetite throughout the Group, dedicated professionals are appointed to:

- Identify and manage risk
- Monitor and report on the effectiveness of existing risk controls and to recommend changes where necessary
- Liaise with appropriate regulatory bodies
- Advise on regulatory changes, attitudes and best practice.

Regulatory Scrutiny

Operating in well-regulated and highly respected jurisdictions, provides clients and stakeholders alike with assurance that the Group is accustomed to meeting exacting standards. As regulatory standards continually change and develop, this leads to ever increasing challenge and scrutiny from our regulators. As an industry we have seen an increased focus on how the sector operates and a willingness by regulators to investigate firms and in some cases impose fines and penalties. As a Group we therefore believe it is important to remain proactive and able to identify changes and ensure that its policies and procedures remain fit for purpose at all levels.

Risk Appetite

The Group Board determines the Group's risk appetite and delegates its implementation and oversight to the Executive Committee, and enhancing the existing risk framework is a key focus area.

Regulatory compliance particularly in areas such as anti-money laundering and countering the financing of terrorism, continues to be vital to the long term and sustainable growth of the Group. Measured commercial risk remains a driver of business development, but as stated in previous years, will always be subordinate to regulatory risk which carries the potential for significant damage to the Group's reputation and a threat to its ability to carry on its core regulated activities.

Risk Management and Controls

The Group has adopted a multi-layered approach to risk management with overarching Group policies providing business units with parameters regarding the management of risk to support the achievement of corporate objectives, protect staff, corporate assets and its reputation while contributing to a more efficient use of capital and resources.

A Group wide risk management framework has been established but continues to evolve, the objective being the adoption of the industry standard "three lines of defence" risk management model which can briefly be described as follows:

First Line of Defence

The first line of defence comprises the management of the business and the operational controls applied at the business level. Diligent application of the business' policies, procedures and controls will ensure that each business:

- complies with all applicable legal and regulatory obligations (for example, suspicious activity reporting, regulatory Codes of Practice); and
- acts, at all times, with honesty and integrity

Second Line of Defence

The risk management and compliance functions utilise compliance monitoring programmes to review and oversee the Group's application of the first line of defence, concerning the conduct of its financial services activities in the following matters:

- corporate governance
- market conduct
- business conduct and consumer protection; or
- the prevention and detection of financial crime

Third Line of Defence

The principal function of the third line of defence is to provide assurance to stakeholders of the appropriateness and diligent application of the first two lines of defence. The Group plans to transition from a decentralised internal audit model to a Group-wide model over the next 12 months to complete the three lines of defence risk management model.

Compliance and Risk Management Framework

The Group's jurisdictional compliance teams report directly to the Group Head of Compliance on the findings of their respective compliance monitoring programmes, who in turn reports to the Executive Committee and separately, to the Group Board. The jurisdictional risk committees are responsible for implementing the local risk management arrangements and reporting their deliberations to the relevant company's board. These risk committees are mandated under clear terms of reference which include risk assessment and risk mitigation within the framework of the company's and the Group's risk appetite.

The Group continues to ensure the maintenance of high standards of compliance in respect of risk assessment, client take-on, anti-money laundering and other regulatory requirements by delivering comprehensive and effective training to staff, reviewing and improving risk management, and on the implementation and monitoring of its compliance procedures and processes. Our risk and compliance function remains responsive to business requirements which is key to our culture of compliance within the service teams. This, together with the Board's oversight for enhancements to support the future growth of the Group's risk and compliance structure, provides appropriate checks and balances, with well documented procedures and key risk measurements and controls embedded to our culture of risk management.

Each of the regulated businesses within the Group undertakes an ongoing business risk assessment process which helps verify existing risk assessments, ensures consistency of approach, identifies potential new risks and helps frame the compliance monitoring programmes and other risk management controls.

The effective Risk Management and Control framework allows the Group to monitor and maintain its defences to risk. The Compliance Monitoring Programme is a key tool to test and monitor the control environment, analyse the results and report the management information to the operating company boards and onwards to the Group Board. The Board considers these findings in the context of its strategic business objectives and takes appropriate, risk-based action.

Planned Risk Management Enhancements

Over the next 12 months the Group expects to reinforce its risk management practices through the appointment of a Chief Operating and Risk Officer and also further enhancing its Compliance and Risk Management Framework.

COVID-19

Although the COVID-19 pandemic brought about significant challenges to our normal operating conditions, our focus throughout has remained the protection and welfare of our people, clients and the continued provision of services to our clients. Despite all the difficulties, the Group continued to perform well due to the continued hard work of the entire team. As previously reported, our historic but significant investment in technology facilitated a virtually seamless transition to remote working and security of data. As we slowly move away from the pandemic, we will seek to enhance our controls from the lessons learnt over the past 12 months and work towards a normal working experience for staff and clients alike. In doing so, we continue to review the ever changing landscape of the virus and will make any adjustments necessary to ensure the Group can continue to focus on its core business model.

Brexit

The end of the Brexit transition period means that since 31 January 2021, the UK has no longer been part of the EU single market or the EU customs union. The UK's relationship with the EU has thus fundamentally changed, notwithstanding the new Trade and Cooperation Agreement and uncertainty remains as to the impact the agreement will have in practice, not least the issues surrounding the internal "border" between Northern Ireland and the rest of the UK. The current view remains that due to the Group's global presence, Brexit is unlikely to reduce the overall demand for services across the Group and the Executive Committee continues to monitor the situation.

COVID-19 and Brexit risks detailed above are addressed separately to the following Principal Risks, as although they have the potential to adversely affect the Group's business, they are not considered likely to present the highest level of threat to the business model, performance and reputation of the Group.

Risk Statement
continued

Principal Risks

The Board has identified five areas of risk that are specific to the business of the Group and which present the highest level of threat to its business model, performance and reputation.

Scheduled below, these risks are monitored closely by the Executive Committee.

Risk	Mitigants
Strategic Risk	
Acquisition Risk (stable risk)	
Acquisitions give rise to inherent execution and integration risk. The process of integration may produce unforeseen operating difficulties and expenditures and may absorb significant attention of the Group's management that would otherwise be available for the ongoing development of the business. In addition, acquisitions also involve a number of other risks including unforeseen liabilities, difficulties in realising cost savings or revenues, loss of key employees and client relationship issues.	In assessing the risks associated with prospective acquisitions the Group uses a combination of internal and external resources to ensure that is has the appropriate skills to evaluate the opportunity. The internal element builds our understanding of the target business and help align the processes and cultures in preparation of the integration phase. The external element will focus on independent investigation and analysis of key areas of financial performance and perceived risk areas, to provide additional assurance over these. The integration process is a key area in assessing risk of a transaction andis properly defined, prior to the acquisition completing. Clear goals and timelines are set and resource available to offset any impact on business as usual activity. The Board monitors progress on a regular basis and undertakes a post-acquisition review after 12 months.

Risk	Mitigants
Business / Sector Risk	
Legal and Regulatory Risk (increasing risk)	
The Group is subject to the laws and regulations of the countries in which it operates. Many of the Group's subsidiaries operate in a regulated environment and are subject to ongoing supervision and other regulatory requirements. Any breach of any applicable law, regulations, licence conditions or the requirements of the relevant regulatory authority could result in the Group's regulated businesses, its directors and key personnel being fined or being the subject of criminal or other regulatory enforcement proceedings and have material adverse consequences for the Group and its business.	The Group operates strict internal processes and procedures to ensure that regulatory and legal requirements are understood and adhered to in each of its jurisdictions. In addition, the Group ensures its employees receive comprehensive and effective training and ongoing support. Awareness of geo-political direction of travel (e.g. Brexit, international measures in relation to tax reporting or data protection) facilitates preparation in advance of change.

Risk	Mitigants
Operational Risks	
Data Loss / Cyber Risk (increasing risk)	
With data being a vital resource of the Group, failure to protect it from cyber attacks leading to data loss or loss of access to data or systems (ransomware) would affect client confidence and could prevent the Group from being able to continue to provide its services and could expose the Group to significant fines under GDPR or equivalent legislation.	The Group engages an independent third-party IT security specialist organisation to independently scan the network for potential vulnerabilities and uses this data to ensure adherence to the Group requirement to apply all critical security patches. The Group utilises professional firewalls at the network perimeter and all external contact is made through these. Direct access to the Internet is prevented and all applications run through a proxy server. Anti-virus and anti-malware software is installed and automatically updated. All IT support staff have dedicated and restricted administrator access logins that are separate to day-to-day user logins. These elevated accounts have independent monitoring of all tasks carried out under the login. Compulsory annual cyber awareness training is in place. The Group has in place a Cyber response plan based on ISO/IEC 27035:2016 Information technology - Security Techniques - Information Security Incident Management.
Financial Risk (stable risk)	
The Group does not deliver its expected financial performance, leading to liquidity and capital issues.	The Group has established robust business planning and budgeting processes with monthly reporting against budget. Active cash management, management of exposures to non-base currency and monitoring of impairment of receivables, are important mitigating controls.
Key Personnel Risk (stable risk)	
The Group is dependent upon key senior management personnel who have extensive experience and knowledge of the Group, the Group's markets, product offering, client base, and administered structures.	The Board works with senior management to ensure that there are effective succession plans. The Group continuously engages with its network to identify potential future leaders. A key part of the acquisition strategy is to identify key people to help the development of the Group and to achieve its strategic objectives. A consistent, Group-wide senior management incentive plan is to be introduced by the end of the calendar year, offering an attractive balance between fixed and variable pay awards.

ESG

The Group recognises its responsibilities as a good corporate citizen and actively integrates environmental, social and governance (ESG) management into its business model.

As a TISE listed company we adhere to the Guernsey Financial Services Commission's Finance Sector Code of Corporate Governance. More information can be found in the Corporate Governance Report on page 28.

During the latter part of the financial period we established an ESG Committee (ESGC), reporting directly to the Board and Executive Committee. One of the ESGC's first tasks has been to appoint ESI Monitor who will provide us with the expert support and guidance we need in this area.

In June 2021 the Group made a formal commitment to environmental sustainability by enrolling every office on the ESI Monitor's Environmental Business Operations Framework. The Framework is an international benchmark and serves as an environmental management system to measure, manage and minimise an organisation's environmental impact. The comprehensive framework includes measurement and management of scope one, scope two and scope three emissions.

Each office has appointed a team or representative who will lead the project in their jurisdiction. We anticipate being able to produce quality data later in the year and subsequently set realistic reduction targets to transition to a low carbon economy.

More information can be found on **www.esimonitor.org**

In addition to the ESGC we have a team of enthusiastic ESG volunteers in each jurisdiction. While the ESGC will be setting policy and targets the volunteers will be working on the detail for their office.

Environment

We are committed to long term sustainability and working with ESI Monitor will help us:

- Measure our carbon footprint, creating quality benchmarking data.
- Help us create policies and commitments, ensuring international standards are met.
- Guide our teams through planning and implementation to reduce our environmental impact.

While each office has some policies in place and we have a Group framework, we envisage that our focus will be to consider benchmarking and target setting across these areas:

- Energy. Emissions that result from the generation of electricity, heat or steam purchased from a utility provider.
- Travel. The Group's carbon footprint from business travel has reduced to zero due to COVID-19. Recognising the desire for long-term change, the Executive Committee is working on a new Group policy covering future internal and client-related business travel which will result in better planning and tracking of trips, as and when business travel resumes with the objective of achieving a permanent reduction of our Scope 3 emissions.
- Waste. Several of our offices already have active waste minimisation and recycling plans, however we believe we can do more and encourage information and tip sharing across offices alongside the work being carried out by ESI to help us develop Group-wide policies.
- Our London office marked Global Recycling Day on 18 March 2021 by holding an educational event for staff, encouraging them to make changes in their everyday lives at home and at the workplace. A great initiative which we may look to encourage all our offices to recognise in 2022.

We look forward to providing an update on our progress in the 31 December 2021 Annual Report.

Social

Our People

With nearly 500 staff, the Group needed to invest in technology to keep us all connected and improve HR processes. One key initiative is 'the Hub', a new global HR system which will transform the way we communicate and manage our people data and processes, from recruitment and onboarding through to offboarding.

The project, which represents a major investment for the Group, launched in March 2021 with the first phase due to complete in September 2021.

Another key strategic initiative launched during the period is the definition, refinement and enhancement of our company culture. PraxisIFM has grown considerably over the last three years and we have not yet taken the time to understand and agree a common culture for ourselves as a business.

A survey has been carried out, led by an external consultant, and the results are being used to help define who we are as a business, what we are doing right and where we can improve. This initiative is essential to our future growth and the Group anticipates it will take a number of years to embed cultural changes through all areas of our structure.

With our teams working from home, communication during COVID-19 was (and still is) more important than ever. As part of the ESGC initiative we have started a series of quarterly webinars for our staff. These events will cover a range of topics relevant in the workplace, including mental health awareness and diversity together with providing support for our next generation.

The first session was held in early March to mark International Women's Day. Staff from across the Group attended a webinar with a panel of women from across the Group who talked about their career and the challenges they have faced.

COVID-19 has changed the way people like to work. While we believe that having our people working together as part of a team in the office environment works best for our Group, we nevertheless introduced a new flexible working policy in August 2020. The policy recognises the benefits of a healthy work/life balance, which can have such a positive impact on mental health.

We now have a number of trained Mental Health First Aiders in Guernsey, Jersey and Switzerland. We also have Mental Health First Aiders in our UK office, where a new initiative provides support for staff via the "Able Futures' Access" to Work Mental Health Support Service.

Staff Development

The Group has always placed great emphasis on talent management within the business, ensuring that we provide the opportunity for staff progression.

We continue to develop our people and in November made our annual round of promotions aligned to our employees' progress and expertise with promotions made at all levels within the Group.

While the pandemic curtailed most of our face-to-face events last year a suspension of lockdown restrictions in Guernsey enabled one event to go ahead. As part of the Group's policy to support and develop our staff a next generation networking event with peers from the island's key intermediary network firms were invited to meet our aspiring future leaders. Similar events in our other jurisdictions will be held as and when restrictions are eased.

Staff Ownership Model

The Group offers all permanent staff the option to invest in the company's success through our 'Buy As You Earn' scheme. The share purchase plan enables staff to put aside a monthly sum of cash with an option to invest in Group shares. We ask staff to make 10 contributions during a calendar year, with the Group contributing two months.

Human Rights

The Group is committed to ensuring that slavery, human trafficking and forced labour have no place in or around our business and we have therefore put processes and policies in place to strengthen our approach to tackling any risk of this.

We have a responsibility to respect the human rights of our colleagues, customers, the communities we operate in and the people who work throughout our supply chain, and we have an opportunity to make a difference. We do not tolerate slavery, human trafficking, forced labour, child labour or child exploitation.

We have policies which allow us to manage human rights both within and outside of our business, including our Codes of Conduct. Furthermore, the PraxisIFM employee staff handbook makes it abundantly clear that employees are expected to behave ethically and operate with integrity at all times.

The Group also has Equal Opportunities and Anti-bullying policies in place.

ESG
continued

Our Community

The Group has a proactive approach to contributing to and engaging with our communities. We're proud to support charities and organisations, sports teams and voluntary groups.

Mauritius Oil Spill

PraxisIFM colleagues supported relief efforts in Mauritius following a devastating oil spill in July 2020, which was declared an environmental emergency. Staff worked closely with other volunteers by distributing food, providing ropes and equipment as well as assisting with the production of booms – an effective method used to reduce the likelihood of polluting shorelines, while trapping any oil to prevent further damage to the area.

Partage

Our Swiss team supported Partage, an organisation which collects and distributes unsold food from businesses and food businesses to distribute them free of charge to beneficiary institutions, which help and feed people in difficulty in Geneva.

Partage's action revolves around the three pillars of sustainable development: social, economic and environment. It prepares 5,000 food bags per week.

Envision Mentoring Programme

Envision wants every young person, whatever their background, to have access to opportunities to develop the confidence and character they will need to progress their personal career aspirations and contribute to society. Our support has been delayed by COVID-19 but training with seven of our UK Corporate Services team was completed in April and the programme launched in May 2021.

Inclusion Youth Project

Its mission is to combat the social isolation of young people with special needs and disabilities, by providing them a safe space to learn, grow, develop, make and maintain friendships.

It currently offers opportunities for young people who may either be on the autistic spectrum, have a learning difficulty, a physical disability or a sensory impairment. The project supports around 100 young people in Jersey aged 11-25 and the aim is to increase confidence, social skills, self-esteem and life skills while promoting independence, decision making skills and building friendships.

Arts for Impact

This charity launched a new initiative called Inshape - feeling better through art, a Guernsey community group that aims to make societal impact through creativity. The Group's funding supported the initiative, which enabled members of the community to access and participate in rewarding artistic activity and meet like-minded individuals.

Healing Waves

This Jersey charity aims to enable individuals regardless of whatever disability, condition and/or mental health issue they are living with, to participate in a few hours of water sports. Providing each of them the opportunity to have their own unique and valuable experience. The charity plans to build the first all-inclusive surf centre in the Channel Islands.

Proms on the Wicket

We stepped in to support one of Guernsey's most popular community events which went ahead during a period of COVID-19 free life.

The Proms concert has been staged annually as a free event for the island's community for the last 15 years and we are delighted that in this very challenging year the concert was able to go ahead with our support.

Hoplites AFC

In late September 2020 the amateur team was promoted to the first division having finished a COVID-19 delayed season as champions of the second division of the FAL eight-a-side football league, held in the village of Gharghur, Malta.

It was the second consecutive step up for the team, who had won promotion from the third division the previous season, and the third year of our sponsorship.

Corporate Governance Structure

The Group has adopted the Finance Sector Code of Corporate Governance (the Code) issued by the Guernsey Financial Services Commission. As a financial services group, the Group is fully committed to the principles of good corporate governance including effective management, reporting and transparency. During the year the Group has followed the principles of the Code.

The Board

At the year end, the Board consisted of four Non-Executive Directors (two of which are independent and one represents the largest shareholder), and two Executive Directors as detailed on page 30. The roles of the Chairman and the Chief Executive Officer are separated, ensuring a clear division of responsibilities. The combined skills and experience ensure independence and enable effective decision making and delivery of the Group's strategic objectives.

Changes to the Board during the year are detailed in the Nomination and Remuneration Committee report on page 34.

Membership of the Board

The Board held four scheduled quarterly meetings and 16 ad-hoc meetings during the year, attendance at meetings during the year is detailed in the Directors Report on page 43.

The Board oversees the strategic direction of the Group and provides effective leadership to enable the Group to enhance value to all stakeholders.

It approves financial reporting, internal controls, investments, acquisitions and disposals, communication with shareholders, significant expenditure and changes to the structure and capital of the Group.

The Board is evaluated on an annual basis to ensure that it continues to be able to conduct its activities and discharge its responsibilities effectively. The latest evaluation was undertaken during April 2021. The key conclusions from this exercise are detailed within the report of the Nomination and Remuneration Committee on page 34.

Board Committees

The Board has delegated certain responsibilities to the following committees to enhance effective governance and focus, as demonstrated by the diagram on page 29.

Audit Committee

The Audit Committee comprises Stephanie Coxon (Chair) and Diane Seymour-Williams. The Committee meets at least twice in each financial year.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises Brian Morris (Chairman), Diane Seymour-Williams and Stephanie Coxon. The Committee meets at least once a year.

Executive Committee

The Executive Committee is made up of the senior management team, as detailed on page 32. It is responsible for the day-to-day management of the Group's operations and activities.

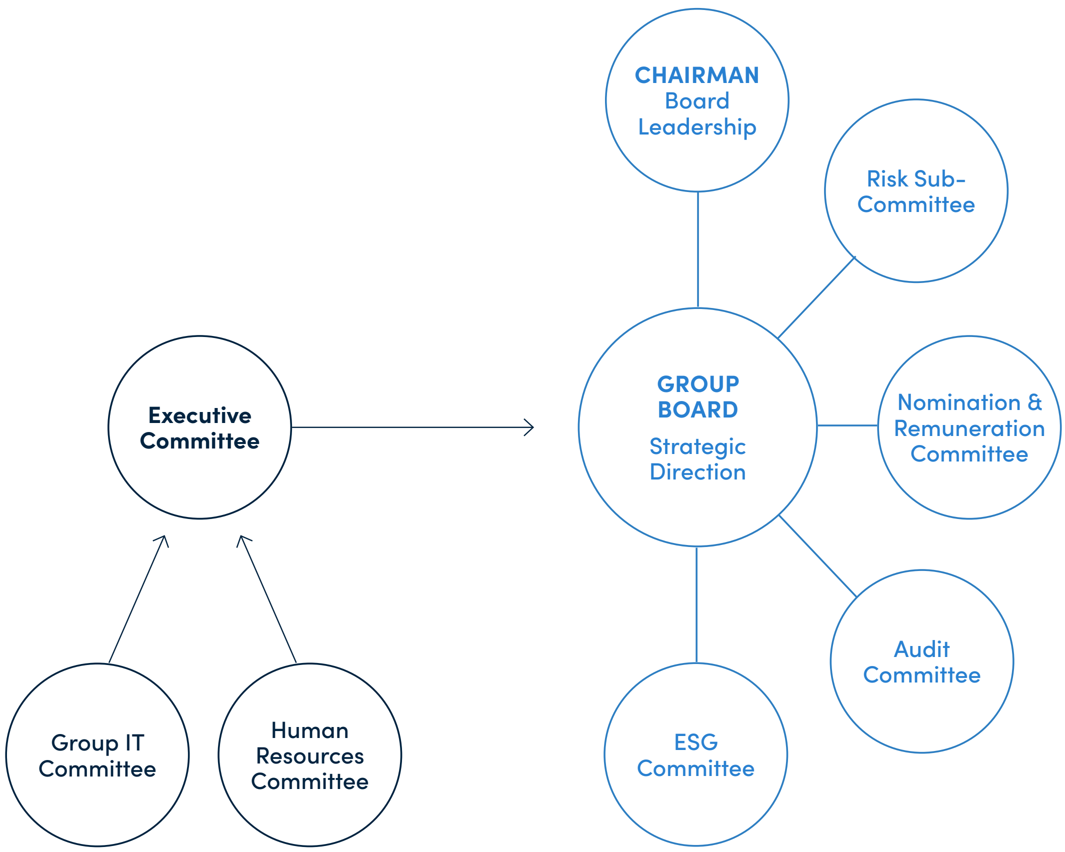
The Executive Committee assists, advises and makes recommendations to the Board in relation to delivery of strategic objectives, compliance and risk management, financial and management reporting, performance and budgeting, systems and technology and human resources. Furthermore, there is a two-stage process of approval in place with the Executive Committee enabling negotiation of terms with a target, in the first instance, to ensure that the Group Board then has sufficient information to authorise execution of contractual agreements.

ESG Committee

The ESG Committee comprises Martyn Crespel (Chairman), John Medina and various members representing the Group's services and jurisdictions. Given the level of importance the Group places on all matters relating to ESG, this committee has been established to assist the Board with developing the Environmental, Social and Governance Policy and strategy applicable to the Group as a whole. This Committee is currently meeting once a month.

Risk Sub-Committee

The Board is ultimately responsible for the management of risk of the Group and has delegated responsibility to a sub-committee of the Board comprising Stephanie Coxon and Peter Gillson.



Group Board of Directors

Iain Torrens FCA

Chairman

Iain was appointed Chairman of the Group in September 2021. Based in the UK, Iain is the Chief Executive of Faro Capital, a private investment company and was previously director and CFO of Talk Talk Group Plc, the UK telecom provider and ICAP Plc, the world's largest inter-broker dealer. Iain is a fellow of the Institute of Chartered Accountants in Ireland.

Rob Fearis FCCA TEP

Chief Executive Officer

Based in Guernsey, Rob has been one of the key figures in the development and strategic growth initiatives within the Group for the past 28 years. During his time with the Group, he has gained broad private client and corporate administration experience and extensive experience in leadership and management. Rob was appointed Group CEO in February 2020.

Stephanie Coxon FCA

Non-Executive Director

Stephanie is a Non-Executive Director of three London listed companies – Apax Global Alpha Limited, JLEN Environmental Assets Group Limited and PPHE Hotel Group Limited. Prior to these appointments Stephanie was a Capital Markets Director at PwC leading teams across the UK and the Channel Islands advising boards on capital market transactions on the London Stock Exchange. She also advised on ongoing obligations, corporate governance, accounting policies and reporting processes. Stephanie is a Fellow of the Institute of Chartered Accountants in England and Wales.

Brian Morris BA (Hons) FCA

Non-Executive Director

Brian was the CEO of IFM until the merger with Praxis in 2015. He continued to perform a leading executive role in the Group until his operational retirement in 2018. Brian has an Honours degree in Accountancy and Finance and is a Fellow of the Institute of Chartered Accountants in England and Wales.

Diane Seymour-Williams MA Cantab

Non-Executive Director

Diane spent 23 years at Morgan Grenfell and, following its takeover, with Deutsche Bank in a variety of roles including Head of Asian Equities, CEO and CIO Asia, and Head of Global Equities. She has over 30 years' experience in the investment management industry, both managing portfolios and businesses. Diane is currently a NED of Mercia Asset Management Plc, Standard Life Private Equity Trust Plc and SEI Investments (Europe) Limited. She is also a member of the Investment Committee at Newnham College, Cambridge as well as the Canal & River Trust. She holds an MA in Economics from Cambridge University.

Martyn Crespel TEP

Director

Martyn joined the Group in 2016 following the acquisition of his niche multi-family office business. His long tenure in the international finance industry, combined with his extensive experience in private client and Sharia structuring has enabled him to provide strategic guidance and direction in the development of the Group's private client and corporate and Middle Eastern businesses.

Peter Gillson ICSA

Non-Executive Director

Peter is a Non-Executive Director of the Financial Services Opportunities Investment Fund Limited ("the Fund"), the Company's largest shareholder, and represents the Fund on the Board. Peter co-founded the administration company International Private Equity Services Limited (IPES) and retains several directorships of private equity funds. Peter has served as a Deputy of the Guernsey States of Deliberation holding several positions, as well as being an Associate of The Chartered Governance Institute.

Executive Committee

Darren Gibbs

Head of Pensions Division

Darren is based in Guernsey and responsible for leading the Group's pension administration services and has experience in the international pensions sector. He has a strong background in technical analysis, international product development, compliance and relationship management, bringing together a broad range of skills and knowledge to the Group's clients.

Richard Kearsey FCA

Co-Head of Private Client & Corporate Division

Richard has extensive experience in accountancy, taxation and private client management. He structures and manages the affairs of large international families and high net worth individuals with a focus on developing longstanding relationships. Based in Jersey, Richard works with our other divisional heads on the strategy of the Group's private client & corporate businesses.

Chris Hickling CA

Head of Funds Division

Since joining the Group in 2009 as managing director of International Fund Management in Guernsey, Chris has applied his expertise in fund management, fund administration and risk management to guide the growth of the Group's funds businesses. Chris was appointed Group Head of Funds in January 2020.

Matt Litten

Co-Head of Private Client & Corporate Division

Matt is based in Guernsey and has more than 25 years experience in the wealth management industry. Responsible for managing and developing key ultra-high net worth client relationships, he also contributes to the Group's private client & corporate strategic plans. Matt's earlier roles include managing director for a law firm-owned trust company and working in various roles for one of the largest banking and financial institutions in the world.

John Medina FCCA TEP MCIS
Co-Head of Private Client & Corporate Division

John has over 30 years' experience in accountancy, taxation, fund services and trust and corporate management and administration. Leading a team in Jersey that looks after clients' affairs on a day-to-day basis, he is passionate about nurturing long-term relationships with exceptional client service. John is also instrumental in driving forward the strategy of the Group's private client & corporate businesses.

Richard Morris ACA PhD MEng
Chief Financial Officer

Joining the Group in 2016, Richard is the Group's Chief Financial Officer. He is responsible for financial reporting, forecasting and control, the output of which is used by the Executive Committee to guide operational and strategic decisions. Prior to his appointment as CFO in February 2020, Richard was involved in developing the Group's financial reporting following its listing on The International Stock Exchange in April 2017.

Nomination and Remuneration Committee Report

Dear Shareholder,

I am pleased to present the report of the combined Nomination and Remuneration Committee in respect of the year ended 30 April 2021.

Membership of the Committee

The Committee members and their attendance at meetings during the year were:

	Meetings Held	Attendance
Brian Morris (Chairman)	2	2
Iain Stokes*	2	–
Diane Seymour-Williams	2	2
Stephanie Coxon**	2	1

* Resigned from the Committee on 16 December 2020
** Appointed to the Committee on 15 February 2021

Nomination Committee Report

The Committee ensures that membership of the Board is structured to ensure that it has the appropriate level of skill and experience commensurate with the Group's size and strategy.

The key Terms of Reference of the Committee require it to:

- regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and other senior executives and make recommendations to the Board with regard to any changes;
- give full consideration to succession planning for directors and other senior executives in the course of its work, taking into account the challenges and opportunities facing the Group, and the skills and expertise needed on the Board in the future;
- keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
- be responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise;
- evaluate the balance of skills, knowledge and experience on the Board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment; and
- review the results of the annual Board performance evaluation process that relate to the composition of the Board.

Committee Oversight

- The Committee undertook, internally, a review of the Terms of Reference, constitution, performance and effectiveness of the Committee and concluded that the Committee currently operates effectively.
- The Committee undertook a review of the composition and performance of the Board, key conclusions drawn from this review were:
    - The process undertaken since December 2020 to appoint a new Chairman has meant that the balance of the Board was not in line with best practice at times during the period.
    - A need for a deeper focus on risk and consequences was identified. The process is underway to appoint a Chief Operating and Risk Officer to report to the newly formed Risk Committee and the Risk reporting and framework will undergo significant upgrades over the next 12 months.
    - A more structured ongoing training and update programme for Non-Executive Directors was needed. The NEDs appointed during 2021 subsequently participated in a comprehensive induction programme.
- Succession planning across the Board and all senior executives was considered. The Board changes below, and the revisions to the Executive Committee in the previous year mean that there are not currently any succession issues under consideration at senior executive levels.
- Following the recommendation last year from the Committee that the Executive Committee should consider reviewing the senior executive team, particularly regarding Technology and Risk, external advisors have been engaged in these areas, with the appointment of a CORO being processed.

Board Changes

The Committee dealt with the following resignations from, and appointments to, the Board during the year and after the year end:

- Robert Fearis was appointed as Director on 2 November 2020.
- Martyn Crespel was appointed as Director on 1 December 2020.
- Iain Stokes was appointed as Non-Executive Director on 6 April 2017 and subsequently resigned from the Board on 16 December 2020.
- Andrew Haining was appointed as Non-Executive Chairman on 6 April 2017 and resigned from the position on 31 December 2020.
- The Committee has undertaken an extensive process in identifying suitable candidates for the vacancies that arose during the year, and instructed leading consultants to advise on these.
- The Committee recommended that Stephanie Coxon be appointed as Non-Executive Director on 15 February 2021.
- The Committee recommended that Peter Gillson be appointed as Non-Executive Director on 16 March 2021.
- The Committee recommended that Iain Torrens be appointed as Chairman on 1 September 2021.
- Brian Morris was appointed as Non-Executive Director on 15 August 2018 and will subsequently resign from the Board on 30 September 2021.

Further information regarding Iain, Stephanie and Peter is contained in the Board details on pages 30 and 31.

Diversity

The Group supports and promotes all aspects of diversity across all levels of its workforce and recognises the benefits this brings to the business. Recruitment and development of individuals is based on merit regardless of gender, age, race, religion or any other characteristic of the individual not related to their performance.

The current representation of females throughout the Group is:

	30 April 2021	30 April 2020
Board	33%	25%
Executive/ Operational Directors	32%	25%
Senior Management	58%	58%
Staff	67%	70%

The Group has also measured its mean gender pay gap at 30 April 2021. The gender pay gap is calculated as the difference between the average FTE pay of all females in the Group versus the average FTE pay of all males in the Group, regardless of what their role is within the organisation.

The results of this are shown in the table below. A negative figure represents a favour towards females, a positive figure represents a favour towards males.

	Number of males	Number of females	Pay gap
Board	4	2	-89.5%
Executive/ Operational Directors	49	23	12.8%
Senior Management	65	90	-1.4%
Staff	84	172	1.4%

We recognise that there needs to be greater diversity on both our Board and Executive team, we will work towards this when opportunities arise.

Nomination and Remuneration Committee Report

continued

Remuneration Committee Report

The key Terms of Reference of the Committee require it to:

- monitor remuneration trends;
- determine and agree with the Board the framework or broad policy for the remuneration of the Company's Chairman and executive directors; Chief Financial Officer, Chief Operations and Risk Officer and Head of Compliance.
- review the ongoing appropriateness and relevance of the remuneration policy;
- ensure that contractual terms on termination, and any payments made, are fair to the individual and the Company, that failure is not rewarded and that the duty to mitigate loss is fully recognised;
- ensure remuneration encourages, reinforces and rewards the growth of shareholder value and promotes the long-term success of the Group. The Committee agreed that executive remuneration should have the following aims:
  - Attract, retain and motivate high calibre senior management
  - Align the interests of the executive management and the shareholders
  - Be consistent, simple and understandable, both externally and to colleagues
  - Encourage widespread share ownership across the Group's employees
  - Be consistent with regulatory and good corporate governance requirements
  - Does not reward behaviour that increases exposure to risks outside of the Group's risk appetite.

Committee Activity

As noted in the report from the prior year, there has been no consistency for Executives or the Senior Management team to receive performance-based bonuses or variable remuneration. This is considered inappropriate as it does not meet the fundamental aim of aligning staff and shareholder interests, and it is not best practice in the current marketplace.

The main focus of the Committee in the past year has therefore been to progress a revision to the Executive and Senior Management pay structure, which will then:

- provide an attractive balance between fixed and variable pay awards;
- provide a consistent pay structure across the Group;
- align the interest of participants with the company's shareholders;
- deliver a value opportunity for participants; and
- work across the various jurisdictions in which the participants are resident.

We anticipate that this review will be complete, and that the revised scheme will be implemented during 2021.

Remuneration Policy

Base Salaries

Executive directors and senior management receive salaries commensurate with their experience, and according to local market conditions, in line with Group policy for all employees.

Bonuses

Discretionary bonuses are awarded based on individual performance and achievement of targets.

Other Benefits

Executive directors and senior management receive a number of benefits, such as defined contribution pension contributions, death in service, and family private medical cover, in line with Group policy for all employees. No performance metrics apply to these benefits.

Options

No options were granted to the Directors during the year and none have been granted since the year end. A window for net settlement of options was opened from 30 November 2020 to 30 April 2021. Details of total movements on share options during the financial year are given in note 27 to the financial statements.

Non-Executive Directors

The fees of the NEDs are set by the Board and the Chairman's fee is set by the Committee (the Chairman and the NEDs do not take part in any discussion of their own fees). Fees are reviewed periodically by reference to market levels and likely time commitment.

NEDs receive a fee for carrying out their duties, which include fees for those who chair the primary Board committees and perform additional duties. The level of fees of the Chairman and other NEDs reflect the time commitment and responsibility of their respective roles.

An annual review of NED fees was undertaken, with minor adjustments to the existing levels being proposed to the Board.

Directors Fees

The table below discloses both Executive and Non-Executive Director fees paid for the year ended 30 April 2021, with prior year comparatives where applicable. The standard fee to a Non-Executive Director was £45,000 and an additional fee of £5,000 was payable for the chairing of a committee. There were no increases year on year. The fee for the Chair position appointed on 1 September 2021 is £75,000.

£	Year ended 30 April 2021	Year ended 30 April 2020
Executive Directors		
Rob Fearis (from 2 November 2020)	130,683	–
Martyn Crespel (from 1 December 2020)	83,693	–
Non-Executive Directors		
Andrew Haining *	45,000	60,000
Iain Stokes **	28,166	45,000
Brian Morris	45,000	45,000
Diane Seymour-Williams	45,000	33,750
Stephanie Coxon (from 15 February 2021)	10,463	–
Peter Gilson (from 16 March 2021)	5,792	–

* Resigned from the Board on 31 December 2020

** Resigned from the Board on 16 December 2020

Conclusions

The Group's existing recruitment and remuneration policies have operated effectively, with low staff turnover across all jurisdictions.

As described above, the next financial year will see a major change in the way we remunerate our senior employees which we consider will be an essential component of the Group's long-term development and success.

I wish to thank my co-Directors and the Executive Committee for their support throughout the year in addressing the many issues that have been presented to this Committee.

Brian Morris
Nomination and Remuneration Committee Chairman

27 September 2021

Audit Committee Report

Audit Committee Report

Dear Shareholder,

I am honoured to be appointed as Chair of the Audit Committee and to take the reins over from Iain Stokes, whose commitment to governance and leadership led the work of the Audit Committee during his tenure as Chair of this committee. I would like to add my personal thanks to Iain for his contribution.

I am pleased to report to you on the activities of the Audit Committee for the year ended 30 April 2021.

Terms of Reference

The Board has established terms of reference in respect of the membership of the Audit Committee, its duties, reporting responsibilities, and authority given to its members (the Terms of Reference). The Terms of Reference are reviewed on a regular basis and are available upon request from the Group Company Secretary.

The Audit Committee's primary function is to assist the Board in fulfilling its oversight responsibilities and, under the Terms of Reference, its main duties include:

- Oversee the Group's financial reporting and advise the Board on whether the annual report is fair, balanced and understandable;
- Assess whether appropriate accounting policies have been adopted;
- Monitor and review the effectiveness of the Group's risk management and financial controls; and
- Evaluate the appointment, performance, independence and remuneration of the external auditor.

Membership of the Committee

I, Stephanie Coxon, joined the Audit Committee on 15 February 2021 and succeeded Iain Stokes as Audit Committee Chair. The current audit committee members are myself, Stephanie Coxon, as the committee's chair and Diane Seymour-Williams.

The Audit Committee is comprised entirely of independent Non-Executive Directors, each having relevant skills and experience as prescribed by the Code and each bringing an independent mindset to their role. The Committee, as a whole, has the competence relevant to the sectors in which the Company operates and the Chair, among others within the membership have recent and relevant financial experience.

Committee Attendance

In the year under review, the Audit Committee met eight times, attendance at which is set out on page 43. Other directors, members of staff and BDO Limited ("External Auditor") may be invited to attend these meetings, as deemed appropriate.

Financial Reporting

The Audit Committee has reviewed the Annual Report and Accounts. In its opinion, taken as a whole, it is fair, balanced and understandable and provides the information necessary for stakeholders to assess the Company's position and performance, business model and strategy.

The Audit Committee reviews draft annual and interim reports. The Audit Committee discusses with the Chief Executive Officer, Chief Financial Officer and External Auditors the significant accounting policies, estimates and judgments applied in preparing these reports.

In relation to the 2021 Annual Report and Accounts, the key matters considered were the following:

- Revenue recognition
- Goodwill impairment
- Debtor provisioning
- Going concern assessment
- Management override of controls

Internal Controls

The Board as a whole is responsible for the Group's system of internal control, however the Audit Committee assists the Board in meeting its obligations in this regard. There is currently no direct internal audit function, and the Executive Committee oversees the daily operational activities of the Group. The Audit Committee regularly monitors confirmations from the Executive Committee that no material issues have arisen in respect of the system of internal controls and risk management operated within the Group. Annually, the Audit Committee reviews the effectiveness of the Group's material controls, including financial, operational and compliance controls.

External Auditors

The Audit Committee has the primary responsibility for the appointment of the external auditor, including negotiating the fee and scope of the audit, initiating a tender process, influencing the appointment of an engagement partner and making formal recommendations to the Board on the appointment, reappointment and removal of the external auditors. The Audit Committee annually assesses, and reports to the Board on, the qualifications, expertise and resources, and independence of the external auditors and the effectiveness of the audit process, with a recommendation on whether to propose to the shareholders that the external auditor be reappointed.

Audit Tender Process

During the year to 30 April 2021, the Group completed a formal tender of the Group audits in line with best practice and continued audit quality. The Board initiated a formal tender process in early 2020 with suitable audit firms approached. Following an initial dialogue and screening process, shortlisted firms were formally invited to tender for the Group audits. Formal tender proposals from participating firms and meetings with the Board took place during September and October 2020. The key criteria considered by the Audit Committee in reaching its tender decision included those of audit quality, audit approach, insights and potential for added value, and fees.

Following a comprehensive assessment process, BDO Limited was selected as the preferred firm and, following approval at the 2020 Annual General Meeting, continued the role of the Group's external auditor.

Audit Committee Report
continued

Oversight of the External Auditors

During the year, and up to the date of this report, the Audit Committee has met formally with the External Auditor on four occasions and, in addition, the Audit Committee Chair has met them informally on four further occasions. These informal meetings have been held to ensure the Audit Committee Chair is kept up-to-date with the progress of their work and that their formal reporting meets the Audit Committee's needs.

In March 2021, the External Auditor presented their proposed audit plan (reviewed by the Chief Finance Officer) to the Audit Committee for discussion. The objective of this was to ensure that the focus of their audit aligned to the Group's key risks and strategy. The Audit Committee also arranged for the External Auditor to present their findings to them following their annual audit, which provided the Audit Committee with a forum to raise queries and questions.

The findings of the Audit Committee were then discussed with the Board and other relevant management functions. Following this analysis, and additional meetings with the External Auditor, the Audit Committee can confirm that it is satisfied with the Group's external audit functions and the integrity of its financial statements.

When the External Auditor present their findings we request that management are not present for part of the meeting to ensure that the External Auditor are able to speak freely and share any views without management being present.

The Audit Committee evaluated the performance of the External Auditor during the year, no concerns were raised about the quality of the audit conducted and feedback showed an overall level of satisfaction. Following this year's audits, a detailed auditor evaluation will be undertaken. This evaluation will include obtaining feedback from senior finance personnel who were exposed to the audit process within the Group to obtain their input on the effectiveness of the external audit process.

Safeguarding Auditor Objectivity and Independence

The Audit Committee also reviewed the independence and objectivity of the External Auditor and reported to the Board that it considered that the External Auditor's independence and objectivity were maintained.

This review included discussions with the External Auditor at various meetings, reliance on the External Auditor's own internal controls for compliance with independence rules and ensuring compliance with the Non-Audit Services Policy. When evaluating the independence of the external auditors, the Audit Committee also took into consideration the quality of the audit produced, the constitution of the audit team being used by the External Auditor, communications between management and the external audit team and generally how the external audit team interacts with and challenges management.

Audit Fees

The Audit Committee continues to review the fees charged for non-audit services and gives due consideration as to whether any additional work performed by the External Auditor may potentially compromise its independence. The Audit Committee also gives due consideration to appointing other firms where it is felt that the impact of an assignment may compromise the independence of the External Auditor.

The following table summarises the remuneration paid to the External Auditor's member firms for audit and non-audit services during the year ended 30 April 2021:

	£
Audit fees	
Group audit fees	459,448
Non-audit services fees	
Sage People HRIS Implementation	65,000
Tax compliance services	55,065
ISAE3402 reporting	52,650
Compliance reporting on regulatory return	1,360
Total	**633,523**

It is noted that Praxis Luxembourg SA is audited by PwC. The fee related to this audit for this year was £32,621 (2020: £33,321)

Committee Effectiveness

Both the Board and the Audit Committee review the effectiveness of the Audit Committee on an annual basis. The Audit Committee has scheduled a comprehensive self-evaluation which is to be completed following the publication of the 2021 Annual Report and Accounts. A member of the Audit Committee will be available to Shareholders at the forthcoming annual general meeting of the Group to answer any questions relating to the role of the Audit Committee.

Signed on behalf of the Audit Committee by:

Stephanie Coxon
Audit Committee Chairman

27 September 2021

Director's Report

The Directors present their report and the audited consolidated financial statements for the year ended 30 April 2021.

Incorporation

The Company was incorporated in Guernsey on 15 December 1995 and has been listed on The International Stock Exchange (TISE) since 12 April 2017.

Statements of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under the law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards including FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland.

In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements have been properly prepared in accordance with the Companies (Guernsey) Law, 2008.

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware;
- each Director has taken all the steps they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information; and
- the financial statements give a true and fair view and have been prepared in accordance with UK Accounting Standards and the Companies (Guernsey) Law, 2008.

Principal Activities

The Group's principal activities are Private Client & Corporate Administration, Fund Services and Pension Services.

Results

Earnings before interest, tax, depreciation and amortisation ('EBITDA') for the year was a profit of £3,352,571 (2020: loss of £2,715,000), the calculation for which is set out below:

	2021 £'000	2020 £'000
Loss for the year	**(5,401)**	**(11,512)**
Add back:		
Interest	800	1,186
Taxation	1,169	1,207
Depreciation	1,219	1,577
Amortisation	5,566	4,827
EBITDA	**3,353**	**(2,715)**

Dividends

During the year no gross dividends (2020: nil) were paid to the Company's shareholders. Dividends paid represent the non-controlling interest in Praxis Luxembourg SA.

Directors

The directors of the Company during the year are set out on page 30.

At the AGM of the Company held on 17 December 2020, shareholders approved the re-election of Robert Fearis and Martyn Crespel.

As previously announced, Iain Stokes resigned on 16 December 2020 and Andrew Haining resigned on 31 December 2020.

Stephanie Coxon was appointed by the Board as a NED with effect from 15 February 2021, and Peter Gillson was appointed as a NED with effect from 16 March 2021. Both will hold office until the next AGM and then be proposed for re-election.

Board Effectiveness

The Directors undertake, on an annual basis, an assessment of the effectiveness of the Board which considers the balance of skills, experience, independence and knowledge of the Company. The Board also evaluates the effectiveness of each of the Directors. The key conclusions from this exercise are detailed in the report from the Nominations and Remuneration Committee report on page 34.

Directors' Meetings and Attendance

The table below shows the Directors' attendance at Board and Committee meetings during the year.

Name	Board Scheduled	Ad Hoc	Audit Committee	Nomination and Remuneration Committee
Numbers of meetings held	**4**	**16**	**8**	**2**
Andrew Haining[1]	3	9	n/a	n/a
Iain Stokes[2]	2	10	6	n/a
Brian Morris	4	16	8	2
Diane Seymour-Williams	4	14	2	2
Robert Fearis[3]	2	8	n/a	n/a
Martyn Crespel[4]	2	6	n/a	n/a
Stephanie Coxon[5]	1	1	1	1
Peter Gillson[6]	1	n/a	n/a	n/a

[1] Resigned 31 December 2020
[2] Resigned 16 December 2020
[3] Appointed 2 November 2020
[4] Appointed 1 December 2020
[5] Appointed 15 February 2021
[6] Appointed 16 March 2021

Director's Report
continued

Directors' Interests

The interests of the directors at the year-end in the share capital of the Company are set out below:

	30 April 2021			30 April 2020		
	No. of shares	Percentage	Interest	No. of shares	Percentage	Interest
Brian Morris	4,334,596	3.85%	Direct	4,834,596	4.29%	Direct
Diane Seymour-Williams	30,434	0.03%	Direct	–	–	–
Robert Fearis[1]	3,527,500	3.13%	Direct	3,517,000	3.12%	Direct
Martyn Crespel	741,663	0.66%	Direct	716,127	0.64%	Direct
Stephanie Coxon	17,391	0.02%	Direct	–	–	–
Peter Gillson[2]	5,000	0.01%	Direct	5,000	0.01%	Direct

[1] Total beneficial interest with spouse.

[2] Peter Gillson also holds an indirect holding of 0.53% of the Group via his holding in Financial Services Opportunities Investment Fund Limited. This was the same at 30 April 2021 and 30 April 2020.

The interests of the directors at the year-end in options over the ordinary shares of the Company are set out below:

	30 April 2021				30 April 2020			
	No. of options	Exercise price	Grant date	Expiry date	No. of options	Exercise price	Grant date	Expiry date
Brian Morris	–	–	–	–	–	–	–	–
Diane Seymour-Williams	–	–	–	–	–	–	–	–
Robert Fearis	–	–	–	–	–	–	–	–
Martyn Crespel	400,000	61.16p	12/09/16	30/04/21	450,000	61.16p	12/09/16	30/04/21
Stephanie Coxon	–	–	–	–	–	–	–	–
Peter Gillson	–	–	–	–	–	–	–	–

Peter Gillson acquired 100,000 shares on 29 July 2021, increasing his direct shareholding in the Company to 0.09%. Susan Fearis acquired 10,000 shares on 3 August 2021 increasing the total beneficial interest of Robert Fearis to 3.14%. On 3 September 2021, as a result of exercising options Martyn Crespel received 32,911 shares increasing his shareholding to 774,574 representing 0.69%. There were no changes in the interests of the directors from 30 April 2021 to the date of this report.

Shareholders

Shareholders, other than Group Board Directors, known directly or indirectly to have an interest in 3% or more of the nominal value of the ordinary shares of the Company were as follows:

	As at 30 April 2021			As at 27 September 2021		
	No. of shares	Percentage	Interest	No. of shares	Percentage	Interest
Huntress (CI) Nominees Limited A/C KGCLT[1]	41,917,668	37.23%	Direct	43,216,701	38.38%	Direct
Simon Thornton	3,484,613	3.09%	Direct	2,884,613	2.56%	Direct

[1] The only investor through Huntress, beneficially owning 10% or more of the Group, is Financial Services Opportunities Investment Fund Limited ("FSOIFL") a Guernsey regulated collective investment scheme listed on The International Stock Exchange, which beneficially owns 16.10%. Due to its diverse underlying beneficial ownership, there is no natural person, who owns 10% or more of PraxisIFM Group Limited through FSOIFL. The remaining shares held by Huntress (CI) Nominees Limited A/C KGCLT are held on behalf of various clients of Ravenscroft (CI) Limited ("Ravenscroft"), none of whom hold more than 10% of PraxisIFM Group Limited, either directly or indirectly.

Ravenscroft is the Market Maker to both the Company and FSOIFL. Other entities within the Ravenscroft Group act as Listing Sponsor to the Company and Investment Manager to FSOIFL. Certain individuals hold their shares in an account with Ravenscroft, through its wholly owned subsidiary Huntress (CI) Nominees Limited ("Huntress"), which is thus the registered holder of those shares. As a matter of best practice Ravenscroft has confirmed that Huntress will only exercise its voting rights in connection with those shares on the express instruction of the underlying client (in the case of non-discretionary accounts) or the portfolio manager (in the case of discretionary accounts).

Going Concern

After a review of the Group's forecast and projections, the directors have a reasonable expectation that the Group has adequate resources for a period of at least 12 months from the date of signing of these financial statements. While COVID-19 has had an impact on practical aspects of operations across the Group, no impact on going concern is noted at this time. The Group therefore continues to adopt the going concern basis in preparing these financial statements.

Directors' and Officers' Liability Insurance

The Group maintains insurance in respect of directors' and officers' liability in relation to the directors' and officers' actions on behalf of the Company or Group.

Anti-bribery and Corruption

The Group conducts its business in a legal and ethical manner and does not tolerate acts of bribery and corruption either by its own employees and operating companies or by its agents or other associates.

Slavery

The Group is committed to ensuring that slavery, human trafficking and forced labour have no place in or around our business and we have therefore put processes and policies in place to strengthen our approach to tackling any risk of this. We have a responsibility to respect the human rights of our colleagues, customers, the communities we operate in and the people who work throughout our supply chain, and we have an opportunity to make a difference. The Group does not tolerate slavery, human trafficking, forced labour, child labour or child exploitation. We have implemented a number of policies which allow us to manage human rights both within and outside of our business including our Codes of Conduct. Furthermore, the PraxisIFM employee staff handbook makes it abundantly clear that employees are expected to behave ethically and operate with integrity at all times. The Group also has Equal Opportunities and Anti-bullying policies.

Environmental Policy

While the Company has a limited carbon footprint in respect of its day-to-day activities, the Board also notes that the Company recognises that environmental responsibility is core to its longer term business success, and actively integrates environmental, social and governance (ESG) issues into its business model. For more information regarding the Group's ESG approach and initiatives throughout the year see pages 24 to 27.

Company Secretary

The Company Secretary who held office during the year was Ms Shona Darling.

Independent Auditor

BDO Limited has signified its willingness to continue in office. A resolution to reappoint BDO Limited as auditor for the period ended 31 December 2021 will be proposed at the AGM.

Annual General Meeting

The Company Secretary will send the notice of Annual General Meeting separately in due course.

Shareholder Engagement

The Board is in regular and open dialogue with all shareholders which spans both external investors and staff.

As well as routine communications via regular market announcements, annual and interim reports and the Group's website, the Annual General Meeting is always well attended. In addition, following any major developments, such as the recent sale of the Funds Division, the Group's CEO invites all shareholders to either meet with him in person or contact him via video conference or email to raise any queries. These views are then shared with all of the Directors and taken into consideration as part of the Board's decision-making process.

The website at **www.praxisifm.com** contains comprehensive information including financial reports, news articles, the ESG approach, the current share price, all market announcements and reports as well as detail on the various services offered by the Group, office locations and staff biographies with photos and contact details.

This report was approved by the Board on 27 September 2021 and is signed on its behalf by:

Iain Torrens
Chairman

27 September 2021

Independent auditor's report to the members of PraxisIFM Group Limited

Qualified Opinion

In our opinion, except for the possible effect on the corresponding figures of the matter described in the basis of qualified opinion section of our report, the group financial statements:

- give a true and fair view of the state of the group's affairs as at 30 April 2021 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

We have audited the financial statements of PraxisIFM Group Limited for the year ended 30 April 2021 which comprise:

- the Consolidated Income Statement;
- the Consolidated Statement of Comprehensive Income;
- the Consolidated Statement of Financial Position;
- the Consolidated Statement of Changes in Equity;
- the Consolidated Statement of Cash Flows; and
- the notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 *The Financial Reporting Standard in the United Kingdom and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for qualified opinion

We were not able to obtain sufficient, appropriate audit evidence about the information presented in the corresponding figures as a discontinued operation for the year ended 30 April 2020. This was because the directors of parent were not able to secure access to the relevant audited information from the directors of the former subsidiary following its disposal. We were unable to satisfy ourselves by alternative means in respect of the information presented as the discontinued operation by using other audit procedures.

Consequently we were not able to determine whether adjustments would have been necessary in the corresponding figures within the Consolidated Income Statement and the Consolidated Statement of Cash Flows either to the discontinued column or, consequentially, to the total column for the corresponding year and accordingly our opinion in respect of the year ended 30 April 2020 was qualified. Our opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

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

Independence

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included:

- We obtained the board's assessment and their conclusions with respect to going concern.
- We discussed with management and the board the critical estimates and judgements applied in this assessment so we could understand and challenge the underlying factors incorporated and sensitivities applied such as growth rates and expenditure assumptions in the forecast.
- We evaluated management's assessment of accounting estimates, which could be impacted by the economic environment resulting from COVID-19, including estimates involved in the impairment assessment of goodwill and intangible assets and the recoverability of WIP and debtors.
- We noted the following factors that were considered to be fundamental in the consideration of the potential impact of COVID-19 on the current and future operation of the group and which support the going concern assumption:
    - i. The group has demonstrated the ability to deliver business as usual services to clients under prolonged business continuity conditions through historical performance and forecasts;
    - ii. In July 2021, the group has announced that it has entered into an agreement to sell its Fund Administration business to Sanne Group plc, subject to shareholder and regulatory approval, for cash consideration of £54,000,000.
    - iii. Notwithstanding part ii above, the group forecasts show that it has sufficient cash headroom in addition to regulatory trapped cash to service its day-to-day commitments for a period not less than twelve months from the date of approval of these financial statements.
- We reviewed the disclosures presented in the Annual Report in relation to COVID-19 by reading the other information, including the response to COVID-19, and assessing their consistency with the financial statements and the evidence we obtained in our audit.
- We assessed management's going concern analysis in light of COVID-19 and evaluated management's stressed scenarios, challenged the underlying data and adequacy and appropriateness of the underlying assumptions used to make the assessment and evaluated the directors' plans for future actions in relation to their going concern assessment.

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

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

Overview

Coverage[1]	95% (2020: 94%) of Group revenue		
Key audit matters		2021	2020
	Revenue recognition	✓	✓
	Goodwill impairment	✓	✓
	Debtor provisioning	✓	✓
	Share based payments		✓
	Share based payments are no longer considered to be a key audit matter because there have been no new share option contracts issued in the financial year and the balance of shares to be exercised by employees have significantly reduced compared to prior year		
Materiality	£285,000 (2020: £445,000) based on 8% of adjusted underlying profit before tax on continuing activities (2020: 8% of adjusted underlying profit before tax on continuing activities)		

[1] These are areas which have been subject to a full scope audit by the group engagement team

Independent auditor's report to the members of PraxisIFM Group Limited
continued

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

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

This assessment took into account the likelihood, nature and potential magnitude of any misstatement. As part of this risk assessment, we considered the Group's revenue streams and recognition criterion; the basis of valuation of subsidiaries and the recoverability assessments of doubtful debts.

In terms of Group composition, we determined that the Group consists of 5 significant components and 52 non-significant components. All but one of the significant components were subject to statutory audits completed by BDO Limited - Guernsey. The remaining significant component was audited by BDO Limited – Jersey under the supervision of BDO Limited - Guernsey.

As referred in the matter described in the basis for qualified opinion section, we were unable to obtain sufficient, appropriate audit evidence about the information presented as a discontinued operation in the prior year. This is because the directors of parent have not been able to secure access to the relevant audited information from the directors of the former subsidiary following its disposal.

BDO Limited also carried out audits for a number of the non-significant components. Other non-significant components were subject to audits by BDO International member firms and other audit firms, who are familiar with local laws and regulations in their jurisdictions.

Where non-significant components were not required to be audited, we have completed desktop reviews and specified procedures to ensure we have sufficient understanding to support the Group audit opinion.

Our involvement with component auditors

For the work performed by component auditors, we determined the level of involvement needed in order to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the Group financial statements as a whole. Our involvement with component auditors included the following:

- Issuance of group reporting instructions, inclusive of considerations of materiality, fraud and irregularities
- Attendance at all audit planning meetings with audit engagement teams and respective local management
- Oversight of and coordination of IT systems for the provision and delivery of audit evidence between local management and component engagement teams
- Detailed review of significant component audit planning and active attendance at engagement team discussions prior to on site audit testing commenced
- Review of significant component audit work performed on areas of significant risk of material misstatement
- Regular update meetings during the audit with all audit engagement teams and respective local management where necessary
- Involvement in audit query resolution and audit challenge where required
- Acted as liaison between local engagement teams and group finance and management where necessary.

Key audit matters

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

Key audit matter		How the scope of our audit addressed the key audit matter
Revenue recognition		
The accounting policy in relation to accrued income is disclosed in note 2 to the Annual Report. The assumptions and judgements which are made in respect of this area are set out in note 3.	The Group generates revenue from multiple streams. There is a risk that the Group recognition policy as stated in the notes to the financial statements is not adhered to consistently. Accrued income is calculated based on time charged by staff on client matters to which a discount rate is applied for recoverability. The calculation of the accrued income requires management judgement with regards to the chargeable time that would be recoverable and therefore there is a risk that it might be misstated. There is a high level of judgement applied by management in assessing and determining the value of accrued income.	For a sample of clients where accrued income has been recognised, we have reviewed the level of chargeable time incurred and recovered post year end. For those amounts not billed or recovered post year end, we have challenged management's judgement and rationale as to the recoverability of the accrued income amounts whilst reviewing fee agreements and communication with clients. We reviewed historical billing patterns and timings of settlement of invoices in respect of clients where judgement has been made by management. Across each of the groups various revenue streams, we have agreed, on a sample basis, revenue to signed fee agreements and/or client acceptance of fees raised and checked that revenue recognised is consistent with the applicable accounting policy. We also assessed the mechanical calculation of deferred income on a sample basis at the year end with reference to timing of billing and the period to which the invoice relates. Key observations: We consider that the Group has applied its revenue recognition policy as stated in the notes to the financial statements consistently and we consider management's judgements relating to the valuation of accrued income to be reasonable.
Goodwill impairment		
The accounting policy for intangible assets is detailed in note 2 of the consolidated financial statements. The impairment of intangible assets and the assumptions and judgements which are made in respect of this area are disclosed as a critical judgement in note 3 of the Annual Report. Notes 11 and 12 provide detail on the balances and impairments charged.	Within intangible assets the Group holds a significant balance of goodwill that has arisen from the acquisition of subsidiaries. Management is required to perform annual impairment review in respect of the carrying value of goodwill on a cash generating unit ("CGI") basis. Management uses a variety of models to determine the value in use of each CGU to which goodwill is allocated. The annual impairment tests performed by management were considered significant to our audit due to the complexity of the models employed as well as the significant judgements applied by management when determining the assumptions included in the assessment. These assumptions are based upon estimates that are affected by prospective information on expected performance where each CGU operates.	We evaluated the inputs and assumptions in the forecast used by management in determining the value in use of each CGU. We challenged management's judgements by testing the underlying value in use calculation and compared the forecast used against actual results. We challenged the useful economic life assumptions used at CGU level with reference to our understanding of client attrition rates, forecast projections and discussions with relevant audit teams responsible for component audits. We challenged management's key assumptions for short and long term growth rates in the forecasts by comparing them to historical results. We challenged the discount rate used in the calculations by considering the cost of capital for the Group and comparable organisations. We then assessed the risk premiums allocated to each cash generating unit being assessed for impairment. We performed sensitivity analysis on the model, which included all key assumptions, to understand the sensitivity of the model to changes in underlying assumptions. We performed an evaluation for the key assumptions used in the value in use calculation such as comparing the inputs to prior year, comparison of industry practice in order to assess whether there are any indications of management bias. Key observations: We consider management's judgements and assumptions used in the assessment of impairment of intangibles to be reasonable.

Independent auditor's report to the members of PraxisIFM Group Limited
continued

Key audit matter		How the scope of our audit addressed the key audit matter
Debtor provisioning The accounting policy adopted in respect of debtor impairment is detailed in note 2 of the consolidated financial statements. The impairment of debtors is also included as a key source of estimation uncertainty in note 3. Notes 16 provides detail on the balances and impairments charged.	The nature of the Group's revenue streams means that there are instances where debtors are not recovered in full. Management is required to assess whether a provision is required for non-recoverability of debtors and this is determined by reference to ageing, past default experience and management's assessment of any objective indicators of impairment. Due to the level of management judgment the allowances made may be subject to management manipulation. Although management may make a best estimate over the recoverability of these figures, unforeseen financial difficulties, or inabilities to pay fees in relation to the clients may lead to these figures being under or overstated in error.	For a sample of debtors, we reviewed management's assessments with regards to the recoverability of debtors and we corroborated the assessment with appropriate supporting evidence, including cash receipts subsequent to the year end as well as relevant financial information on the solvency and liquidity of the counterparties. We further challenged and scrutinised management over significant balances that remained outstanding at the point of audit sign off and obtained further detailed corroborative information, such as underlying financial statements, to support their assessment that the balances outstanding remained recoverable in the ordinary course of business. Key observations: We consider management's judgements in respect of debtor recoverability to be reasonable.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

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

Group Financial Statements

	2021 £	2020 £
Materiality	285,000	445,000
Basis for determining materiality	8% of adjusted profit before tax after adjustment for one off non-recurring items in the financial year	
Rationale for the benchmark applied	We have considered the relevant financial metrics for users of the financial statements and have assessed that adjusted profit, after removing items which are not considered to be reflective of the Group's underlying continuing activities, is most appropriate as this reflects the Group's underlying operating results.	
Performance materiality	213,750	310,000
Basis for determining performance materiality	Represents 70% of the above materiality levels. We selected 70% as an appropriate threshold based on the following considerations: Considering that the effect of the prior year identified misstatements was below materiality, management is open to adjustments, lesser extent of sample procedures are planned but also the fact that there are accounts that are subject to estimation, we concluded that it is appropriate to establish the performance materiality threshold at 70% of materiality.	

Component materiality

We set materiality for each component of the Group based on a percentage of between 1% and 53% of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from £1,750 to £151,000. In the audit of each component, we further applied performance materiality levels of 65-70% of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £8,500 (2020: £13,350). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the members of PraxisIFM Group Limited
continued

Other Companies (Guernsey) Law, 2008 reporting

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Company; or
- the financial statements are not in agreement with the accounting records; or
- we have failed to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors Responsibilities within the Directors' Report, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

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

Based on our understanding of the Company and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the Company's regulated activities, and we considered the extent to which non-compliance with those laws and regulations that have a direct impact on the financial statements.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of management override of controls) and determined that the principal risks were related to management bias in accounting for estimates, particularly with regard to revenue recognition, debtor provisioning, accrued income valuation and goodwill impairment reviews.

We communicated relevant identified laws and regulations and potential fraud risks to all component engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the group audit.

Audit procedures performed by the engagement team to respond to the risks identified included:

- Discussion with and enquiry of management, those charged with governance and compliance team members concerning known or suspected instances of non-compliance with laws and regulations or fraud;
- Reading minutes of meetings of those charged with governance, correspondence with the applicable regulators, internal compliance reports and complaints, breaches, errors and other relevant compliance registers to identify and consider any known or suspected instances of non-compliance with laws and regulations or fraud;
- Challenging the judgements and assumptions used by management and those charged with governance in connection with the significant accounting estimates identified above; and
- Agreeing revenue amounts to supporting documents, including observation of original signed client agreements and consideration of whether the criteria for recognising revenue have been met during the period under review.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

The engagement director on the audit resulting in this independent auditor's opinion is Matthew Budd.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO Limited
Chartered Accountants
Place du Pré
Rue du Pré
St Peter Port
Guernsey

27 September 2021

Consolidated Income Statement

For the year ended 30 April 2021

		Year ended 30 April 2021			Year ended 30 April 2020		
	Note	Continuing Operations £'000	Discontinued Operations £'000	Total £'000	Continuing Operations £'000	Discontinued Operations £'000	Total £'000
Turnover	4	**59,184**	**–**	**59,184**	**60,461**	**9,666**	**70,127**
Staff costs and other direct costs	5	(26,982)	–	(26,982)	(29,404)	(7,701)	(37,105)
Gross profit		**32,202**	**–**	**32,202**	**31,057**	**1,965**	**33,022**
Administrative salaries		(8,988)	–	(8,988)	(10,751)	(556)	(11,307)
Administrative expenses		(5,697)	–	(5,697)	(6,527)	(1,003)	(7,530)
Technical & training		(147)	–	(147)	(267)	(15)	(282)
Marketing		(402)	–	(402)	(933)	(16)	(949)
Computer expenses		(3,733)	–	(3,733)	(3,916)	(2,937)	(6,853)
Insurance		(1,555)	–	(1,555)	(884)	(144)	(1,028)
Travel & entertaining		(66)	–	(66)	(838)	(122)	(960)
Rent and rates		(4,144)	–	(4,144)	(3,545)	(232)	(3,777)
Amortisation of intangible assets	12	(5,566)	–	(5,566)	(4,624)	(203)	(4,827)
Finance & bad debts		(1,152)	–	(1,152)	(2,844)	30	(2,814)
Provision release in divested subsidiary		–	–	–	–	2,271	2,271
Goodwill Impairment	12	(4,631)	–	(4,631)	(931)	–	(931)
Other operating income	6	447	–	447	131	15	146
Operating loss		**(3,432)**	**–**	**(3,432)**	**(4,872)**	**(947)**	**(5,819)**
Loss on divested subsidiary		–	–	–	(3,451)	–	(3,451)
Share of profit for year in associate		–	–	–	151	–	151
Interest receivable & similar income	7	19	–	19	12	–	12
Interest payable & similar charges	8	(819)	–	(819)	(1,055)	(143)	(1,198)
Loss before taxation		**(4,232)**	**–**	**(4,232)**	**(9,215)**	**(1,090)**	**(10,305)**
Tax on profit of ordinary activities	9	(1,169)	–	(1,169)	(1,205)	(2)	(1,207)
Loss for the financial year		**(5,401)**	**–**	**(5,401)**	**(10,420)**	**(1,092)**	**(11,512)**
Loss for the financial year attributable to:							
Owners of the parent		(5,449)	–	(5,449)	(10,466)	(554)	(11,020)
Non-controlling interests		48	–	48	46	(538)	(492)
Earnings per ordinary share (expressed in pence per share)							
Basic	11	(5.5)	–	(5.5)	(9.7)	(1.0)	(10.7)
Diluted	11	(5.5)	–	(5.5)	(9.6)	(1.0)	(10.6)

There were no activities related to discontinued operations in the current year.

The notes on pages 60 to 83 form part of the financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 30 April 2021

	Year ended 30 April 2021			Year ended 30 April 2020		
	Continuing Operations £'000	Discontinued Operations £'000	Total £'000	Continuing Operations £'000	Discontinued Operations £'000	Total £'000
Loss for the financial year	**(5,401)**	**–**	**(5,401)**	**(10,420)**	**(1,092)**	**(11,512)**
Foreign exchange loss	(1,273)	–	(1,273)	1,137	15	1,152
Total comprehensive income for the financial year	**(6,674)**	**–**	**(6,674)**	**(9,283)**	**(1,077)**	**(10,360)**
Total comprehensive income for the financial year attributable to:						
Owners of the parent	(6,722)	–	(6,722)	(9,329)	(539)	(9,868)
Non-controlling interests	48	–	48	46	(538)	(492)

The notes on pages 60 to 83 form part of the financial statements.

Consolidated Statement of Financial Position

For the year ended 30 April 2021

		30 April 2021		30 April 2020 as restated (note 17)	
	Note	£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	12		42,475		52,623
Tangible assets	13		2,973		3,720
Investments	14		365		2,327
			45,813		**58,670**
Current assets					
Accrued income		3,383		5,057	
Debtors and prepayments	16	20,295		21,363	
Cash and cash equivalents	17	15,544		13,144	
		39,222		**39,564**	
Creditors: amounts falling due within one year	18	**(27,962)**		**(37,448)**	
Net current assets			**11,260**		**2,116**
Total assets less current liabilities			**57,073**		**60,786**
Creditors: amounts falling due after more than one year	19		**(13,809)**		**(14,904)**
Provisions for liabilities	20		**(714)**		**–**
Net assets			**42,550**		**45,882**
Capital and reserves					
Called up share capital	23		1,126		1,126
Share premium	24		66,344		66,344
Treasury shares	24		(2,740)		(5,530)
ESOP share reserve	27		661		821
Capital reserve	24		(820)		715
Profit and loss account	24		(22,102)		(17,682)
Equity attributable to owners of the parent company			**42,469**		**45,794**
Non-controlling interests			**81**		**88**
			42,550		**45,882**

The financial statements were approved by the Board of Directors and authorised for issue on 27 September 2021 and are signed on its behalf by:

Stephanie Coxon

The notes on pages 60 to 83 form part of the financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 April 2021

	Called-up share capital £'000	Share premium £'000	Treasury shares £'000	ESOP share reserve £'000	Capital reserve £'000	Profit and loss account £'000	Amount attributable to owners of parent £'000	Non-controlling interests £'000	Total £'000
At 1 May 2020	**1,126**	**66,344**	**(5,530)**	**821**	**715**	**(17,682)**	**45,794**	**88**	**45,882**
Profit/movement for the year	–	–	–	–	–	(5,449)	(5,449)	48	(5,401)
Other comprehensive income	–	–	–	–	(1,273)	–	(1,273)	–	(1,273)
Total comprehensive income	**–**	**–**	**–**	**–**	**(1,273)**	**(5,449)**	**(6,722)**	**48**	**(6,674)**
Movement on capital reserve	–	–	–		6	761	767	(101)	666
Prior year reclassification	–	–	–	–	(268)	268	–	–	–
Deferred consideration settlements	–	–	2,422	–	–	–	2,422	–	2,422
Exercise of share options	–	–	368	(160)	–	–	208	–	208
Dividends paid	–	–	–	–	–	–	–	46	46
At 30 April 2021	**1,126**	**66,344**	**(2,740)**	**661**	**(820)**	**(22,102)**	**42,469**	**81**	**42,550**

	Called-up share capital £'000	Share premium £'000	Treasury shares £'000	ESOP share reserve £'000	Capital reserve £'000	Profit and loss account £'000	Amount attributable to owners of parent £'000	Non-controlling interests £'000	Total £'000
At 1 May 2019	**1,126**	**66,344**	**(9,134)**	**526**	**(453)**	**(4,682)**	**53,727**	**1,665**	**55,392**
Profit/movement for the year	–	–	–	341	–	(11,361)	(11,020)	(492)	(11,512)
Other comprehensive income	–	–	–	–	1,152	–	1,152	–	1,152
Total comprehensive income	**–**	**–**	**–**	**341**	**1,152**	**(11,361)**	**(9,868)**	**(492)**	**(10,360)**
Movement on capital reserve	–	–	–	–	16	(49)	(33)	(243)	276
Divestment of subsidiary	–	–	–	–	–	(1,590)	(1,590)	(879)	(2,469)
Share repurchase	–	–	(1,976)	–	–	–	(1,976)	–	(1,976)
Deferred consideration settlements	–	–	5,044	–	–	–	5,044	–	5,044
Exercise of share options	–	–	536	(46)	–	–	490	–	490
Dividends paid	–	–	–	–	–	–	–	37	37
At 30 April 2020	**1,126**	**66,344**	**(5,530)**	**821**	**715**	**(17,682)**	**45,794**	**88**	**45,882**

The notes on pages 60 to 83 form part of the financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 April 2021

	Note	2021 £'000	2020 as restated (note 17) £'000
Cash flows from operating activities			
Loss on operating activities before taxation		(4,232)	(10,305)
Adjustments for:			
Amortisation of intangible assets	12	5,566	4,827
Depreciation of tangible assets	13	1,219	1,577
Interest expense	8	819	1,198
Interest income	7	(19)	(12)
Onerous Lease	20	714	–
Goodwill impairment	12	4,631	931
Loss on investments		–	3,451
Write off of loan to divested subsidiary		–	(1,976)
Increase in accrued income		1,671	(232)
Decrease/(increase) in debtors	16	1,069	1,837
(Decrease)/increase in creditors	18	(2,700)	3,386
Cash from operating activities		**8,738**	**4,682**
Income taxes paid		(823)	(1,848)
Net cash from operating activities		**7,915**	**2,834**
Cash flows from investing activities			
Purchases of tangible assets	13	(601)	(2,174)
Purchases of intangible assets	12	(73)	(2,240)
Cash paid for acquisitions		–	(1,113)
Cash acquired with subsidiary		–	140
Cash lost on divestment of subsidiary		–	(1,302)
Other investment income	14	38	147
Divestment of Electro Holdings	14	2,000	–
Interest received	7	19	12
Net cash from/(used in) investing activities		**1,383**	**(6,530)**
Cash flows from financing activities			
Bank loan drawdowns		5,000	–
Bank loan repayments		(3,819)	(2,542)
Net movement on overdraft[1]	17	(3,214)	7,177
Loan drawn in divested subsidiary		–	1,523
Deferred consideration paid	26	(2,301)	(2,701)
Net settlement of loan note consideration		(1,159)	–
Exercise of share options		211	536
Net capital flows from finances leases		(167)	(273)
Contractual covenant payments	26	(104)	(97)
Interest paid	8	(819)	(1,198)
Dividends paid		(46)	(37)
Net cash (used in)/from financing activities		**(6,418)**	**2,388**

The notes on pages 60 to 83 form part of the financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 April 2021
continued

	Note	2021 £'000	2020 £'000
Net increase in cash and cash equivalents		**2,880**	**(1,308)**
Cash and cash equivalents at beginning of year		13,144	13,666
Effect of foreign exchange rate changes		(480)	786
Cash and cash equivalents at end of year	17	**15,544**	**13,144**

The notes on pages 60 to 83 form part of the financial statements.

[1]The net movements on overdraft comprises cash receipts of £14,885 (2020: £11,013k) and cash payments of £18,099k (2020: £3,836k).

Notes to the Consolidated Financial Statements

1. Statutory information

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

2. Significant accounting policies

The following accounting policies have been used consistently in dealing with items considered material to the Group's affairs. These accounting policies have been consistently applied to all years presented unless otherwise stated.

Basis of preparation of financial statements

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

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

Going concern

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

Forecasts and projections underpinning this conclusion included;

- Expected trading performance
- Sale of the Funds division (note 30)
- Reviewing repayment and servicing of borrowings (note 21)
- Regulatory capital requirements
- Potential impact of COVID-19

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

Basis of consolidation

The Group's Consolidated Financial Statements consolidate the financial statements of the Company and its subsidiaries and associated undertakings drawn up to 30 April each year. The results of the subsidiaries and other interests acquired or sold are consolidated for the period from or to the date on which control passed.

The Consolidated Financial Statements incorporate the financial statements of the Company and entities controlled by the Group. Control is achieved where the Group has the power to govern the financial and operating policies of an entity to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate, using accounting policies consistent with those of the Group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Turnover

Revenue is measured as the value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT and others sales-related taxes. When the Group acts in the capacity of an agent rather than as the principal in the transaction, the revenue recognised is the net amount of commissions made by the Group. Revenue comprises fees for private client, fund, pension and corporate services.

Rendering of services

Revenue is recognised in the consolidated income statement at the point in time when the Group has the right to receive payment for its services, on an accrual's basis.

Net asset value ("NAV") based fees

Where fees are levied based on a percentage of the net assets of investment companies to which the company provides services, income is accrued or deferred in accordance with the billing cycle, based on the last available NAV calculation.

Deferred income

Fixed fees received in advance across all the services lines and up-front fees in respect of services due under contract are time apportioned to the respective accounting periods, and those billed but not yet earned are included in deferred income on the consolidated statement of financial position.

Accrued income

Accrued income across all the services lines represents the billable provision of services to clients which has not been invoiced at the reporting date. Accrued income is recorded based on agreed fees billed in arrears and time-based charges at the agreed charge out rates in force at the work date, less any specific provisions against the value of accrued income where recovery will not be made in full. Where services are provided on a time spent basis for private and corporate clients, accrued income is recorded based on agreed charge out rates in force at the work date. Accrued income is valued using average recovery rates appertaining during the year.

Other income

Other income is recognised as it is received, that is when the cashflows related to the income are received.

Expenses

Expenses are recognised when they are incurred, that is when the goods are received or the services are provided, with invoiced amounts being adjusted accordingly for any elements of accrued or prepaid expense.

Interest income and expense

Interest income and expense is recognised on an accruals basis.

Taxation

Current tax, including Guernsey income tax and foreign tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantially enacted by the financial year end.

Intangible assets

Goodwill represents the difference between amounts paid on the cost of a business combination and the fair value of the Group's share of identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is allocated on acquisition to the cash generating unit expected to benefit from the synergies of the combination. Goodwill is included in the carrying value of cash generating units for impairment testing.

At each statement of financial position date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication, the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use (VIU) is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's continuing use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in profit or loss, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluations. Thereafter any excess is recognised in profit or loss.

Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased. If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in profit or loss.

Goodwill arising on consolidation is amortised over management's estimate of its useful life. The estimate is based on detailed analysis of review of the client relationships forming each CGU along with any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses. Amortisation is calculated to write off the cost or fair value of the intangible asset on a straight line basis over their estimated useful lives and is included in administrative expenses. The estimated useful lives for intangible assert range as follow:

Business software	10 years straight line
Goodwill	Over the estimated useful life (refer to note 12)

Where factors are identified to suggest that the amortisation rates used are no longer appropriate, the useful life and/or amortisation rate are amended prospectively to reflect the new factors and circumstances. The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Tangible assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any provision for impairment.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write down the cost, less estimated residual value of each asset class on the following bases:

Computer equipment	5 years straight line
Leasehold property and improvements	Over the life of the lease
Furniture, fixtures and fittings	5 years straight line

Notes to the Consolidated Financial Statements
continued

2. Significant accounting policies (continued)

Investment in associates
Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Investments in associates are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the carrying amount of the investment is adjusted to recognise changes in the Group's share of the net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The consolidated income statement reflects the Group's share of the results of operation of the associate, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of the changes, where applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of the profit or loss of an associate is shown on the face of the consolidated income statement outside of operating profit and represents profit or loss after tax.

Other investments
Investments in unlisted company shares have been classified as fixed asset investments as the Group intends to hold them on a continuing basis. The shares are carried at their estimated value which is based on their fair value.

Investments in listed company shares have been classified as fixed asset investments as the Group intends to hold them on a continuing basis. The shares are carried at fair value with changes recognised in the statement of comprehensive income.

Debtors
Short term debtors are measured at transaction price, less any impairment. Loans receivable, where the repayment date is in the future, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment. Loans that are repayable on demand are recognised at the undiscounted amount expected to be received.

Allowances for bad and doubtful debts
Allowances are made for bad and doubtful debts. Estimates of recoverability are based on ageing of the debts, historical experience and current knowledge of the counterparty.

Cash and cash equivalents
Cash and cash equivalents include cash in hand and short-term deposits with an original maturity of three months or less.

Fiduciary assets
The Group, through its subsidiaries, acts as trustee and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets/liabilities and income/expenses arising thereon are excluded from the Consolidated Financial Statements, as they are not assets, liabilities, income or expenses of the Company or of the Group.

Financial liabilities and equity
Financial liabilities and equity are classified according to the substance of the financial instruments' contractual obligations, rather than the financial instruments' legal form.

Creditors
Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Deferred consideration
Deferred consideration is measured initially at fair value at the date of acquisition and reviewed annually against the terms of the acquisition. Any adjustments to deferred consideration are recognised in the period in which they are identified.

Provisions
Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are determined by the expected future cash flows at a pre-tax rate that reflects current market assessments of the risks specific to the liability.

Leases
Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the lease term.

The aggregate benefit of lease incentives is recognised as a reduction to the expense recognised over the lease term on a straight-line basis.

Onerous lease

Where the unavoidable costs as lessee of an operating lease exceed the economic benefit expected to be received from it, a provision is made for the present value of the obligations under the lease. This is released over the remaining lease term.

Finance leases

Finance lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

Pension costs

The Group operates defined contribution pension schemes. Contributions to the Group's defined contribution pension schemes are charged to the profit and loss in the year in which they become payable.

Foreign exchange

Functional currency and presentation currency

The functional currency of the Group company is Sterling (£). The functional currencies of the subsidiaries of the Group company vary based on their geographic location. For the purpose of the consolidated and individual financial statements of the Group, the results and financial position are also presented in Sterling (£).

Transactions and balances

In preparing the financial statements of the individual Group entities, transactions in currencies other than the functional currency of the individual entities (foreign currencies) are recognised at the spot rate at the dates of the transactions or at an average rate where this rate approximates the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Realised exchange differences are recognised in miscellaneous and finance costs, unrealised exchange difference are recognised in other comprehensive income.

Translation of Group companies

The results of foreign operations are translated at the average rates of exchange during the year and their statement of financial positions at the rates ruling at the financial year end. Exchange differences arising on consolidation are recognised in the capital reserves.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at the annual general meeting.

Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified for the benefit of the employee before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the profit and loss account is charged with the fair value of goods and services received.

Treasury shares

Treasury shares consist of shares held with an employee benefit trust. The Group has an employee benefit trust for the granting of shares to applicable employees. Treasury shares are recognised at cost as a deduction from equity shareholders' funds. Subsequent consideration received for the sale of such shares is also recognised in equity, with any difference between the sale proceeds and the original cost being taken to retained earnings. No gain or loss is recognised in the financial statements on transactions in treasury shares.

Notes to the Consolidated Financial Statements

continued

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

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

Critical judgement in applying the Group's accounting policies

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

Onerous contracts (note 20)

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

Key sources of estimation uncertainty

Valuation of accrued income

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

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

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

The balance at the end of the financial year was £3,383k (2020: £5,057k) and represents a reduction due to changes in the billing made at the beginning of January 2021.

An increase/decrease of accrued income by 5% would result in a gain/charge to profit of £164k and would still result in an operating profit for the financial year.

Impairment of debtors (note 16)

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

This is determined by reference to:

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

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

The balance provided for at the end of the financial year is £3,679k (2020: £4,145k) and represents 22% as a portion of debtors with similar level of provision in the prior year. From the provision made this accounted for 56% of balances greater than 180 days.

An increase/decrease of bad debt provision by 5% would result in a charge/gain to profit of £184k and would still result in an operating profit for the financial year.

Impairment of intangible assets (note 12)

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

Fair Value

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

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

For the year ended 30 April 2021 the default sale multiple was 2.0 and the costs to sell were estimated at 1% of revenue.

In calculating fair value less costs to sell, the key input is the sale multiple applied. An increase in the sale multiple would results in an increase in the fair value less costs to sell of the CGU. The default sales multiple applied for the year ended 30 April 2021 was 2.0 based on typical market transactions where a revenue multiple is used for valuation purposes.

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

Value in use

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

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

The estimation of useful economic life is performed by management and is based on detailed review of the remaining client relationships. The attrition rate is applied on a straight-line basis. The WACC used for the year ended 30 April 2021 was 8.10% (2020: 7.09%).

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

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

A decrease in the sales multiple of Private Equity Services (Amsterdam) BV to 1.0 would result in an impairment charge of £4.5m being recognised. A decrease in the sales multiple of Global Forward B.V. and Global Forward Trust B.V. to 1.0 would results in an impairment charge of £1.5m being recognised.

Brexit

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

Notes to the Consolidated Financial Statements
continued

4. Segmental reporting

Some of the Group's divisions engage in trust and corporate administration with others in funds. Declared revenue is generated by external clients.

The Group has 4 reportable segments for the current year: Private Client and Corporate (PC & C), Pensions, Funds and Other. The prior year includes 2 additional reportable segments: Acquisitions and Discontinued Operations. No client represents more than 10% of revenue.

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

For the year ended 30 April 2021:

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

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

For the Year ended 30 April 2020:

	Acq. £'000	Discont. £'000	PC & C £'000	Pensions £'000	Funds £'000	Other £'000	Total £'000
Revenue	483	9,666	44,758	3,441	11,081	698	70,127
Staff costs	(251)	(7,701)	(20,776)	(1,033)	(6,475)	(869)	(37,105)
Gross profit	**232**	**1,965**	**23,982**	**2,408**	**4,606**	**(171)**	**33,022**
Gross margin	**48%**	**20%**	**54%**	**70%**	**42%**	**(24%)**	**47%**
Other operating income							2,417
Operating expenses as restated							(41,258)
Operating loss							**(5,819)**

Acquisition in the year ended 30 April 2020 was Stroeken B.V.

Geographical information

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

	2021 £'000	2020 £'000
Channel Islands	35,682	35,668
Rest of Europe	13,372	13,705
Netherlands	4,052	14,834
Caribbean	3,452	3,580
Rest of World	2,626	2,340
	59,184	**70,127**

5. Staff costs & other direct costs

	2021 £'000	2020 £'000
Staff salaries	23,938	29,984
Staff pension contributions	1,345	1,495
Staff health cover	448	490
Share options expense	–	345
Other direct costs	1,251	4,791
	26,982	**37,105**

6. Other income

	2021 £'000	2020 £'000
Other income	447	146

Other income for the current year includes an amount of £270,807 relating to the onward sale of InAdmin RiskCo Group B.V. which was a disposal in the prior year. The amount was contingent consideration which was not probable to be received and therefore not recorded in the prior year.

7. Interest receivable & similar income

	2021 £'000	2020 £'000
Bank interest	19	12

8. Interest payable & similar charges

	2021 £'000	2020 £'000
Bank loans	819	1,198

9. Taxation

The tax assessed for the year is higher than the standard rate of income tax in Guernsey on taxable activities at 0% (2019: 0%). The tax charge for the year represents local tax on overseas subsidiaries, along with Jersey and Guernsey tax at the intermediate rate on both regulated fiduciary businesses and fund administration services carried out in Guernsey and Jersey.

The differences are explained as follows:

	2021 £'000	2020 £'000
Loss on ordinary activities before tax	(4,232)	(10,305)
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in Guernsey on taxable activities of 0% (2019: 0%)	–	–
Effects of:		
Guernsey 10% tax activities	439	289
Overseas tax charges	730	918
Tax on results of ordinary activities	**1,169**	**1,207**

Notes to the Consolidated Financial Statements
continued

10. Dividends

Amounts recognised as distributions to equity holders in the year:

	2021 £'000	2020 £'000
Paid to non-controlling interest shareholders in subsidiary	46	37
Total paid to equity holders during the year	**46**	**37**

No dividends distributed or declared to Company's shareholders during the year.

11. Earnings per share

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

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

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

	2021 £'000	2020 £'000
Loss for the year for continuing operations (£'000)	(5,401)	(10,420)
Loss for the year for discontinued operations (£'000)	–	(1,092)
Loss for the year (£'000)	(5,401)	(11,512)
Weighted average number of shares in issue	112,607,690	112,607,690
Treasury shared held	3,540,350	5,453,857
Basic earnings for continuing operations (pence per share)	(5.0)	(9.7)
Basic earnings for discontinued operations (pence per share)	–	(1.0)
Basic earnings (pence per share)	(5.0)	(10.7)
Dilutive shares	164,918	1,279,678
Diluted earnings for continuing operations (pence per share)	(4.9)	(9.6)
Diluted earnings for discontinued operations (pence per share)	–	(1.0)
Diluted earnings (pence per share)	(4.9)	(10.6)

12. Intangible assets

	Goodwill £'000	Business Software £'000	Total £'000
Cost			
At 1 May 2020	**65,425**	**1,978**	**67,403**
Purchases	–	73	73
Disposals	–	(414)	(414)
Impairments to goodwill	(4,631)	–	(4,631)
Adjustments to goodwill	(96)	–	(96)
FX movement	79	(8)	71
At 30 April 2021	**60,777**	**1,629**	**62,406**
Amortisation			
At 1 May 2020	**13,510**	**1,270**	**14,780**
Amortisation for the year	5,282	284	5,566
Disposals	–	(410)	(410)
FX movement	–	(5)	(5)
At 30 April 2021	**18,792**	**1,139**	**19,931**
Net book value			
At 30 April 2021	**41,985**	**490**	**42,475**
At 30 April 2020	**51,915**	**708**	**52,623**

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

Should indicators of impairment be identified, a review of the useful economic life of the goodwill is performed and any changes to the useful economic life applied from the beginning of the current financial period. For the year ended 30 April 2021, management elected to review the useful economic life of all individually significant components of goodwill except for the following:

- IFM Group Limited
- Jeffcote Donnison (Overseas) Limited
- Jeffcote Donnison LLP

These exceptions were made based on the CGUs underpinning the goodwill showing no indicators of impairment and continued strong financial performance for the period.

The initial, revised and remaining useful economic lives of individually significant components of goodwill are shown in the table on page 70. A revised amortisation period was recognised for 6 CGUs.

- Initial amortisation period was applied at the date of acquisition.
- Revised amortisation period was applied from 1 May 2020
- Remaining amortisation period is at 30 April 2021

The individual CGUs comprising the Nerine Trust goodwill were split into individual components for the year ended 30 April 2021 due to the revenue underpinning each CGU having materially different characteristics. The split was calculated based on the EBITDA contribution of each component at acquisition.

Notes to the Consolidated Financial Statements
continued

12. Intangible assets (continued)

The key assumptions used in determining the recoverable amount for each CGU are shown in the table below.

The table on page 71 presents a reconciliation of goodwill carrying value between 30 April 2020 and 30 April 2021 across all CGU's. At 30 April 2021 the recoverable amount for all CGU's is higher than its carrying amount after recognition of impairments. Impairments were recognised for 6 CGUs. In all cases, the key indicator for impairments was a reduction in revenue since acquisition.

Entity	Acquisition Date	Initial Years	Revised Years	Remaining Years	Location	Sale Multiple
Nerine Guernsey (Nerine Trust)	27/06/2018	20	N/A	17	Guernsey	2.0
Nerine BVI (Nerine Trust)	27/06/2018	20	N/A	17	BVI	2.0
Nerine Hong Kong (Nerine Trust)	27/06/2018	20	N/A	17	Hong Kong	N/A
Nerine Geneva (Nerine Trust)	27/06/2018	20	N/A	3	Geneva	2.0
IFM Group Limited	01/01/2015	20	N/A	14	Jersey	N/A
Private Equity Services (Amsterdam) BV	02/02/2018	10	N/A	6	Netherlands	5.5
Confiance Limited	08/12/2015	20	N/A	14	Guernsey	1.0
Cavendish Corporate Investments PCC Limited	20/01/2017	20	14	13	Guernsey	2.0
Global Forward B.V. and Global Forward Trust B.V.	15/08/2018	10	5	4	Netherlands	4.0
Jeffcote Donnison (Overseas) Limited	15/08/2018	20	N/A	17	Isle of Man	N/A
Jeffcote Donnison LLP	15/08/2018	10	N/A	2	UK	N/A
Ampersand Management (Geneva) SA & Ampersand Management (Mauritius) Limited	31/03/2016	20	N/A	15	Switzerland	2.0
Stroeken B.V.	11/10/2019	10	3	2	Netherlands	2.0
Kompas International	02/02/2018	10	5	4	Netherlands	2.0
JD Associates Limited	15/08/2018	20	5	4	Hong Kong	1.0
Trireme Pension Services (Guernsey) Limited	20/01/2017	20	14	13	Guernsey	2.0
Agility	06/11/2013	20	N/A	15	Guernsey	2.0
PraxisIFM Fund Services (UK) Limited	26/11/2015	10	N/A	14	UK	2.0
Balmor SA	04/08/2016	20	N/A	15	Guernsey	2.0
PraxisIFM Trust Limited Malta	20/05/2015	20	N/A	14	Malta	2.0

Praxis Wealth Services is no longer listed as now fully amortised.

Reconciliation of Goodwill:

Entity	Carrying Value at 30 April 2020 £'000	Amortisation Charge £'000	Impairment Charge £'000	Adjustments £'000	Exchange Movement £'000	Carrying Value at 30 April 2021 £'000
Nerine Guernsey (Nerine Trust)	11,634	(667)	–	–	–	10,967
Nerine BVI (Nerine Trust)	4,451	(256)	–	–	–	4,195
Nerine Hong Kong (Nerine Trust)	–	–	–	–	–	–
Nerine Geneva (Nerine Trust)	1,360	(78)	(907)	–	–	375
IFM Group Limited	6,349	(423)	–	–	–	5,926
Private Equity Services (Amsterdam) BV	6,546	(880)	–	–	16	5,682
Confiance Limited	5,607	(364)	–	34	–	5,277
Cavendish Corporate Investments PCC Limited	2,893	(269)	(237)	–	–	2,387
Global Forward B.V. and Global Forward Trust B.V.	2,779	(561)	–	–	7	2,225
Jeffcote Donnison (Overseas) Limited	1,381	(76)	–	–	–	1,305
Jeffcote Donnison LLP	1,093	(146)	–	(130)	–	817
Ampersand Management (Geneva) SA & Ampersand Management (Mauritius) Limited	1,062	(67)	–	–	–	995
Stroeken B.V.	1,471	(508)	(616)	–	123	470
Kompas International	3,230	(646)	(2,482)	–	2	104
JD Associates Limited	761	(139)	(382)	–	(69)	171
Trireme Pension Services (Guernsey) Limited	655	(82)	–	–	–	573
Agility	265	(38)	(7)	–	–	220
PraxisIFM Fund Services (UK) Limited	237	(42)	–	–	–	195
Balmor SA	102	(8)	–	–	–	94
Praxis Wealth Services	31	(31)	–	–	–	–
PraxisIFM Trust Limited Malta	8	(1)	–	–	–	7
	51,915	**(5,282)**	**(4,631)**	**(96)**	**79**	**41,985**

Notes to the Consolidated Financial Statements
continued

13. Tangible assets

	Computer equipment £'000	Leasehold property and improvements £'000	Furniture, fixtures & fittings £'000	Total £'000
Cost				
At 1 May 2020	**5,932**	**2,540**	**2,208**	**10,680**
Purchases	495	4	102	601
Eliminated on disposal	(552)	(309)	(354)	(1,215)
Reclassification of furniture	–	(209)	209	–
FX movement	(54)	(31)	(46)	(131)
At 30 April 2021	**5,821**	**1,995**	**2,119**	**9,935**
Depreciation				
At 1 May 2020	**3,688**	**1,724**	**1,548**	**6,960**
Depreciation for the year	832	205	182	1,219
Eliminated on disposal	(524)	(265)	(343)	(1,132)
Reclassification of furniture	–	(196)	196	–
FX movement	(53)	1	(33)	(85)
At 30 April 2021	**3,943**	**1,469**	**1,550**	**6,962**
Net book value				
At 30 April 2021	**1,878**	**526**	**569**	**2,973**
At 30 April 2020	**2,244**	**816**	**660**	**3,720**

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

14. Investments

At 30 April 2021 the Group had interests in the following entities:

Other interests	Country of incorporation	Types of shares	Proportion held %	2021 Value	2020 Value
Electro Holdings Limited	Guernsey	Ordinary	49.0	–	2,038
The International Stock Exchange	Guernsey	Ordinary	3.30	294	222
Sequoia Economic Infrastructure Fund	Guernsey	Ordinary	0.02	53	49
AF Spa	Italy	Ordinary	4.0	15	15
SICAV	UAE	Ordinary	100	3	3
DPV Limited	Guernsey	Ordinary	12.5	–	–
				365	**2,327**

Electro Holdings Limited

The investment is accounted for using the equity method, and the movements on the investment value are shown in the table below. The investment in Electro Holdings Limited was sold on 10 July 2020. The cost of the investment was written down to the sale value in the prior year.

	£'000
Cost	
At 1 May 2020	**2,000**
Disposal of investment	(2,000)
At 30 April 2021	**–**
Share of retained profits	
At 1 May 2020	**38**
Share of profit for the year in associate	–
Dividends paid	(38)
Write down of investment	–
At 30 April 2021	**–**
Net book value	
At 30 April 2021	**–**
At 30 April 2020	**2,038**

SICAV

The shares held in SICAV do not carry any voting rights. There is no ability for the Group to exercise control, and therefore the results of SICAV have not been consolidated.

DPV Limited

The Group owns a 12.5% holding in DPV Limited. DPV Limited is a holding vehicle for shares issued in consideration of acquisition and no consideration was given for the shares. Therefore no value has been assigned to the shareholding. The shares held in DPV Limited were transferred to the PraxisIFM Group Limited Employee Benefit Trust on 17 May 2021, and DPV Limited was liquidated.

Notes to the Consolidated Financial Statements
continued

15. Subsidiaries

Per section 6.6.2.4 of the TISE listing rules, the directors are of the opinion that compliance with section 6.6.2.3(d) of the listing rules would result in a disclosure of excessive length. They have therefore obtained a waiver from TISE to disclose only those subsidiaries carrying on business, the results of which materially affect the amount of the profit or loss of the Group or the amount of assets of the Group.

Subsidiaries whose results materially affect the Consolidated Income Statement of the Group or the amount of assets of the Group are:

Subsidiary	Type of shares	Proportion held %	Country of incorporation	Reporting Segment
Praxis Corporate Finance Limited	Ordinary	100	Guernsey	PC &C
PES (Anguilla) Ltd	Ordinary	100	Anguilla	PC &C
Nerine Trust Company (BVI) Limited	Ordinary	100	BVI	PC &C
PES Curacao NV	Ordinary	100	Curacao	PC &C
Confiance Limited	Ordinary	100	Guernsey	PC &C
PraxisIFM Trust Limited	Ordinary	100	Guernsey	PC &C
Nerine Trust Company Limited	Ordinary	100	Guernsey	PC &C
PraxisIFM JD (Hong Kong) Limited	Ordinary	100	Hong Kong	PC &C
PraxisIFM Nerine (Hong Kong) Limited	Ordinary	100	Hong Kong	PC &C
PraxisIFM Trust Limited	Ordinary	100	Isle of Man	PC &C
PraxisIFM Trust Limited	Ordinary	100	Jersey	PC &C
PraxisIFM Trust Limited	Ordinary	100	Malta	PC &C
PraxisIFM Management (Mauritius) Limited	Ordinary	100	Mauritius	PC &C
PraxisIFM Netherlands Holding BV	Ordinary	100	Netherlands	PC &C
PraxisIFM International BV	Ordinary	100	Netherlands	PC &C
PraxisIFM Netherlands BV	Ordinary	100	Netherlands	PC &C
PraxisIFM Financial Services BV	Ordinary	100	Netherlands	PC &C
PraxisIFM Trust (NZ) Limited	Ordinary	100	New Zealand	PC &C
PraxisIFM Trust SA	Ordinary	100	Switzerland	PC &C
Nerine Fiduciare S.A.	Ordinary	100	Switzerland	PC &C
PraxisIFM Corporate Services (UK) Limited	Ordinary	100	UK	PC &C
PraxisIFM USA Inc	Ordinary	100	USA	PC &C
Praxis Fund Services (Cayman) Limited	Ordinary	100	Cayman Islands	Funds
Praxis Fund Services Limited	Ordinary	100	Guernsey	Funds
International Fund Management Limited	Ordinary	100	Guernsey	Funds
Praxis Fund Services (Jersey) Limited	Ordinary	100	Jersey	Funds
Praxis Luxembourg SA	Ordinary	85	Luxembourg	Funds
Praxis Fund Services (Malta) Limited	Ordinary	100	Malta	Funds
PraxisIFM Fund Services (UK) Limited	Ordinary	100	UK	Funds
Cavendish Corporate Investments PCC Limited	Ordinary	100	Guernsey	Pensions
PraxisIFM Pensions Holdings Limited	Ordinary	100	Guernsey	Pensions
Trireme Pension Services (Guernsey) Limited	Ordinary	100	Guernsey	Pensions
Trireme Pension Services (Malta) Limited	Ordinary	100	Malta	Pensions
PraxisIFM Trust Ltd	Ordinary	100	UAE	Pensions
Praxis Central Services Limited	Ordinary	100	Guernsey	Other
PraxisIFM Treasury Services Limited	Ordinary	100	Guernsey	Other
PraxisIFM Group Limited Employee Benefit Trust	–	–	Guernsey	Other

16. Debtors and prepayments

	2021 £'000	2020 £'000
Trade debtors	16,622	17,713
Prepayments	2,729	2,451
Other debtors	854	1,025
VAT debtor	90	174
	20,295	**21,363**

The Group considers all trade debtors over 90 days to be past due. Overdue debtors are reviewed on a line-by-line basis as information comes to light, and provisions raised where debt recovery has become doubtful. A provision of £3,679,225 (2020: £4,145,457) was recognised against trade debtors.

17. Cash

The presentation of cash and cash equivalents has changed from the prior year, resulting in changes to both the Consolidated Statement of Financial Position and the Consolidated Statement of Cashflows.

The Consolidated Statement of Financial Position presents the cash balances held by subsidiaries and the overdraft held by the Group company separately. The overdraft is presented as part of creditors due in less than one year. This is due to their being no legally enforceable right of offset of the cash balances held by subsidiaries against the overdraft balance held by the Group company. Previously these balances were net off. This change has no impact on net current assets, total assets less current liabilities, or net assets.

The Consolidated Statement of Cashflows presents the movement on overdraft as part of financial activities. The overdraft movement was not previously presented and was captured as part of the overall cash movement.

This change in presentation has caused a change in the following line items for the financial year ended 30 April 2020.

Line Item	Before restatement £'000	As restated £'000
Net movement on overdraft facility	–	7,177
Net cash used in financing activities	(4,789)	2,388
Net increase in cash and cash equivalents	(8,485)	(1,308)
Cash and cash equivalents at end of year	5,967	13,144

18. Creditors: amounts falling due within one year

	2021 £'000	2020 £'000
Deferred income	10,815	10,994
Bank loans (Note 21)	4,656	2,978
Overdraft	3,963	7,177
Sundry creditors	3,358	6,993
Trade creditors	1,568	1,860
Wage tax creditor	1,318	753
Taxation	1,225	880
VAT creditor	625	473
Deferred consideration (Note 26)	375	5,147
Finance leases	59	193
	27,962	**37,448**

Notes to the Consolidated Financial Statements
continued

18. Creditors: amounts falling due within one year (continued)

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

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

Finance leases
The Group has entered into the following lease with Lombard Finance (CI) Limited:

Date Entered	Amount £	Repayment Period Years	Interest Over Repayment Period £	Implicit Interest Rate %
25 August 2016	30,071	5	3,997	13.29
25 August 2016	360,893	5	47,966	13.29
21 December 2016	389,058	5	57,504	14.78

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

	2021 £'000	2020 £'000
Bank loans (note 21)	13,400	14,359
Deferred consideration (note 26)	356	460
Finance leases	53	85
	13,809	**14,904**

Note 18 provides details of the deferred consideration.

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

	Onerous Lease £'000
At 1 May 2020	–
Charged to profit or loss	714
At 30 April 2021	**714**

Onerous lease provisions will unwind over the next 3 years.

21. Bank loans

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

The Guarantors are jointly and severally liable.

The purpose of the Facility is towards:

a. Financing acquisitions of companies, business and undertakings; and
b. Financing any amounts payable under the existing £3.5m loan and £3.5m overdraft between the Company and the Lender in full; and
c. The general corporate and working capital purposes of the Group (including capital expenditure)

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

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

The prior year comparative includes a balance for "Other" which has subsequently been reclassified to trade creditors. The balance related to this creditor for the current year was £460,826.

A breakdown of bank loans at 30 April 2021 is presented below.

Bank Loan	Balance at 30 April 2021 £'000	Balance at 30 April 2020 £'000	Interest Rate %	Capital Repayment per Quarter £'000	Quarters Remaining £'000
A	3,125	5,625	LIBOR + 3.75%	625	5
B	5,000	5,000	LIBOR + 3.75%	–	–
C	4,091	–	LIBOR + 3.75%	454	9
Revolver	5,000	5,000	LIBOR + 3.75%	–	–
EBT 1	500	500	4.10%	–	–
EBT 2	340	818	4.10%	119	3
Other	–	394			
	18,056	**17,337**			

The Group is in the process of finalising documentation for the transition from LIBOR to a risk free reference rate, in advance of the end of LIBOR on 31 December 2021.

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

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

	2021 £'000	2020 £'000
Within one year	4,656	2,978
Between one year and two years	2,441	2,500
Between two years and five years	10,959	11,859
After five years	–	–
	18,056	**17,337**

Notes to the Consolidated Financial Statements
continued

22. Financial instruments

	2021 £'000	2020 £'000
Financial assets		
Financial assets measured at amortised cost	29,147	24,879
Financial assets measured at fair value	365	2,327
Financial liabilities		
Financial liabilities measured at amortised cost	23,826	32,075

Financial assets measured at amortised cost comprise trade debtors, other debtors and cash and cash equivalents.

Financial assets measured at fair value comprise investments in unlisted companies.

Financial liabilities measured at amortised cost include all creditors shown in notes 18 and 19, other than deferred income and taxation.

All bank loans held by the Group are commercial loans issued at market value and thus were not subject to fair value adjustments.

23. Called up share capital

	2021 £'000	2020 £'000
Authorised, allotted and issued		
112,607,690 ordinary shares of £0.01 each	1,126	1,126
	1,126	**1,126**

24. Capital and Reserves

Called up share capital - represents the nominal value of shares that have been issued.

Share premium account - includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Treasury shares – includes shares held by the PraxisIFM Group Limited Employee Benefit Trust (EBT) in order to satisfy share options contracts and deferred consideration for acquisitions.

ESOP share reserve – represents cumulative expenses related to issue of employee share options, net of options that have subsequently been exercised or lapsed.

Capital reserve - represents exchange differences arising on consolidation of foreign operations.

Profit and loss account - includes all current and prior period retained profits and losses.

25. Operating lease commitments

The Group's future minimum operating lease payments are as follows:

	2021 £'000	2020 £'000
Within one year	1,790	1,821
Between one year and five years	2,874	3,906
After five years	–	169

All operating leases relate to office premises occupied by subsidiary entities. The lease expense in the year ended 30 April 2021 was £2,645,952 (2020: £2,377,643).

26. Reconciliation of deferred consideration

	Cash £'000	Shares £'000	Adj £'000	Total £'000
At 1 May 2020				**5,607**
Paid out in the period in cash and shares:				
Nerine Trust	(2,068)	(1,218)	8	(3,278)
Electro Holdings Limited	–	(933)	–	(933)
Jeffcote Donnison (Overseas) Limited	(143)	(95)	–	(238)
JD Associates Limited	(90)	–	(130)	(220)
Jeffcote Donnison LLP	–	(175)	–	(175)
IFM Group Limited contractual covenant payment	(104)	–	–	(104)
Confiance	–	–	73	73
Exchange movement on deferred consideration	(1)	–	–	(1)
At 30 April 2021	**(2,406)**	**(2,421)**	**(49)**	**731**

Notes to the Consolidated Financial Statements
continued

27. Share based payments

The Group operates seven equity-settled share-based remuneration schemes for employees:

Buy As You Earn ("BAYE") Scheme

All employees of the Group are eligible to participate in the BAYE scheme once they have completed their probation period, the only vesting condition being that the individual remains an employee of the Group over the period of the scheme. No options relating to the BAYE (2020: nil) were granted and exercised by employees participating in the scheme.

Qualified persons with non-market vesting conditions

Under this scheme, employees are granted options based on promotion into qualifying positions. The only vesting condition being that the individual remains an employee of the Group until the vesting date. In addition, the options will lapse if the individual leaves within 3 years of exercising their options.

Qualified persons with performance-based vesting conditions

Under this scheme, options vest if the performance of a subsidiary of the Group increases above a threshold set at the time of granting the option.

Qualified persons with probation and performance-based vesting conditions

Under this scheme, the first tranche of options vests if the individual passes their probationary period of employment, and further tranches vest if the performance of a subsidiary of the Group increases above a threshold set at the time of granting the option.

Qualified persons with promotion and performance-based vesting conditions

Under this scheme, the first tranche of options vests if the individual is promoted to a specified level, and further tranches vest if the performance of a subsidiary of the Group increases above a threshold set at the time of granting the option.

Qualified persons with probation and performance-based vesting conditions

Under this scheme, the first tranche of options vests if the individual passes their probationary period of employment, and a further tranche vests if the individual is promoted to a specified level.

Qualified persons with market-based vesting conditions

Under this scheme, options vest if the share price of the Group increases above a threshold set at the time of granting the option.

During the year to 30 April 2021, no stock options were granted (2020: 1,089,352), and 768,460 were exercised (2020: 1,194,034). The valuation applied to the options was the market price on the grant date.

	2021 Weighted Average Exercise Price £	2021 Number of shares '000	2020 Weighted Average Exercise Price £	2020 Number of shares '000
Balance at start of year	**1.04**	**15,319**	**1.01**	**16,837**
Expired during the year	1.03	(7,194)	0.59	(1,414)
Exercised during the year	0.56	(768)	0.58	(1,193)
Granted during the year	–	–	1.68	1,089
Balance at end of year	**1.13**	**7,357**	**1.04**	**15,319**

The exercise price of vested options outstanding at the end of the year ranged between £0.48 and £1.96 (2020: £0.48 and £1.96).

Of the total numbers of options outstanding at the end of the year, 3,346,636 (2020: 3,318,065) had vested and were exercisable at the end of the year.

The weighted average share price (at the date of exercise) of options exercised during the year was £0.56 (2020: £0.58) at the date options were exercised.

No options were granted in the current year. The following information is relevant in the determination of the fair value of options granted during the previous years under the equity-settled share based remuneration schemes operated by the Group.

	2021 £'000	2020 £'000
Equity-settled		
Option pricing model used	Black-Scholes	Black-Scholes
Expected volatility	N/A	23.83%
Expected dividend yield	N/A	0.00%
Risk-free interest rate	N/A	1.10%

The Black-Scholes option pricing model has been used in prior year to value the share-based payment awards as it was considered that this approach would result in a materially accurate estimate of the fair value of options granted.

The volatility assumption, measured as the standard deviation of expected share price returns, is based on a statistical analysis of daily share prices over the last three years of comparable publicly quoted companies.

The share-based remuneration expense is included in direct costs and comprises:

	2021 £'000	2020 £'000
BAYE scheme	36	4
Equity-settled schemes	–	341
	36	345

The Group did not enter any share-based payment transactions with parties other than employees during the current or previous periods.

The movements on the ESOP share reserve were:

	2021 £'000	2020 £'000
Brought forward	(821)	(526)
Expense relating to options issued in the year	–	(341)
Options exercised/lapsed in the year	153	28
Expired in the year	7	18
Carried forward	**(661)**	**(821)**

Notes to the Consolidated Financial Statements
continued

28. Transactions with related parties

There is no immediate or ultimate controlling party of the Group. No individual shareholder holds sufficient voting rights in order to exercise control.

Balances and transactions between the parent company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

The Group's other significant related parties are key management personnel, comprising all members of the Group board and the Executive Committee who are responsible for planning and controlling the activities of the Group.

	2021 £'000	2020 £'000
Key management personnel compensation	1,747	2,021
Dividends paid to shareholders who are also key management personnel	–	–

Key management personnel compensation includes directors' salaries and related benefits including pension contributions.

A director of a subsidiary of the Group has a loan with the EBT related to the settlement of their share options. The loan is being settled via cash payments from the director and the dividends from their shares. The loan is secured against the shares held in the Group, interest free, and repayable on demand.

	2021 £'000	2020 £'000
Loan due from director of subsidiary	123	123

No contract of significance to which a director of the issuer is or was materially interested was entered into during the period.

29. Net debt reconciliation

	1 May 2020 £'000	Cash flows £'000	Acquired £'000	Disposed £'000	Other non-cash changes £'000	30 April 2021 £'000
Cash at bank	13,144	2,868	–	–	(468)	15,544
Bank overdrafts	(7,177)	3,214	–	–	–	(3,963)
Obligations under finance leases	(278)	167	–	–	–	(111)
Bank loans	(17,337)	(1,166)	–	–	447	(18,056)
Net debt	**(11,648)**	**5,083**	**–**	**–**	**(21)**	**(6,586)**

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

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

30. Post year end events

Share Options Granted and Exercised

Since the year end, no options have been granted, 678,459 have been exercised, 4,123,185 have expired or been cancelled.

Acquisition

On 1 July 2021, the Group acquired Abacus Crew Limited and the clients of Abacus Corporate Services Limited. Both businesses are headquartered in Malta. The total consideration for the transaction is contingent on the novation of client contracts but will not exceed £300,000.

Sale of Funds Division

On the 28 July 2021, the Group announced that it has entered into an agreement to sell its Funds Division to Sanne Group Plc for a total consideration of £54,000,000. The sale includes the Guernsey, Jersey, UK, Malta and Luxembourg Funds businesses. Completion is expected to occur on or before 31 October 2021, subject to regulatory approval.

RBSI Loan Facility – Accession of Guarantors

In August 2021, the following entities became Guarantors to the facility agreement with RBSI:

- PraxisIFM Trust Limited (Isle of Man)
- Trireme Pensions Services (Malta) Limited

Other than the above there are no other post year end events that require disclosure in these Consolidated Financial Statements.

Company Information

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

Directors (the "Board")

Brian Morris (Non-Executive Director)

Diane Seymour-Williams (Non-Executive Director)

Robert Fearis (Executive Director) – appointed 2 November 2020

Martyn Crespel (Executive Director) – appointed 1 December 2020

Stephanie Coxon (Non-Executive Director) – appointed 15 February 2021

Peter Gillson (Non-Executive Director) – appointed 16 March 2021

Iain Torrens (Chairman) – appointed 1 September 2021

Iain Stokes (Non-Executive Director – resigned 16 December 2020)

Andrew Haining (Non-Executive Group Chairman – resigned 31 December 2020)

Company Secretary

Shona Darling

Registered Office

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

Registered Number

30367

Listing Sponsor and Market Maker

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

Independent Auditors

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

ISIN

GB00BD0RGF89

LEI

213800MNA9SX4F9ZSJ58

Registrar and Location of Register of Members

Praxis Fund Services Limited, Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 1GR

Investor Relations

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

Glossary

Terminology or acronyms commonly used in the Annual Report and Financial Statements are defined in the table below.

Terminology / Acronym	Definition
Group	PraxisIFM Group Limited
The year	The 12-month period ended 30 April 2021
The prior year	The 12-month period ended 30 April 2020
EBITDA	A widely recognised measure of profitability after adding depreciation, amortisation, interest and tax back to profit for the year
Underlying EBITDA	EBITDA excluding exceptional or non-recurring charges
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CORO	Chief Operations and Risk Officer
BVI	British Virgin Islands
UAE	United Arab Emirates
SME	Small and medium-sized enterprise
HNW	High net worth
UHNW	Ultra-high net worth
ESG	Environmental, social and governance
BAYE	Buy as you earn
NED	Non-Executive Director
TISE	The International Stock Exchange