Future-focused.
Innovation driven.

PRAXIS IFM

Annual Report & Audited Financial Statements

For the period ended 31 December 2021

Global professional administration services

Contents

Business and Financial Highlights

The Group completed the disposal of the Fund Services division to Sanne Holdings Limited on 3 December 2021 and has also taken the opportunity to align the year end with the wider industry, moving to 31 December. As a consequence of these changes the financial highlights, CEO, CFO and Directors reports are focused on the continuing business, namely the Private Wealth & Corporate Services and Pensions divisions, for the eight months to 31 December 2021.

£30.6m
Revenue

58.5%
Gross Profit Margin

£3.0m
Adjusted EBITDA

9.8%
Adjusted EBITDA Margin

£2.0m*
Operating Cash Flow

£4.7m**
Net Debt

398
Employees

29%
of Group owned by staff

Notes
EBITDA is a widely recognised measure of profitability after adding depreciation, amortisation, interest and tax back to loss for the year.
Adjusted EBITDA excludes exceptional or non-recurring charges (see page 10).
* Operating cash flow includes continuing operations and the Fund Services division.
** Adjusted for £40m cash return of capital on 25 March 2022 (see note 21 for unadjusted position).

Strategic Direction

An evolving, innovative service offering.

The period to 31 December 2021 has been a year of change with the disposal of the Fund Services division, the restructuring of the Group and the resetting of its strategy

- We are now looking forward to 2022, the start of a new era, and what the Group can become
- Our people and geographic reach are the key enablers of growth
- By 2025 we will have transformed our business
- Delivering deeper, and more successful relationships with clients is our continuing aim

Our ambition

To ensure our clients' future financial growth and security, by delivering a unique mix of expertise and experience, and inspiring the best and brightest people to drive innovation at the forefront of our industry.

Chairman's Statement

It has now been eight months since I joined the Board, during which time we have completed the disposal of the Fund Services division, returning £40m of the proceeds to shareholders by way of a tender offer for shares, which was fully taken up.

The business has been refocused around its core strengths, Private Wealth and Corporate Services, providing a substantial foundation on which to drive a new era of growth.

As well as the re-structuring of the business, we have revisited our culture and values, and set out our vision to transform the Group into a business centred on delivering market leading services to both our existing and new clients.

Our objective is to create a culture which leverages the skills of our people, empower them to deliver solutions via quality client relationships underpinned by the foundations of shared services, staff development and technology.

These initiatives are designed to equip the Group for a new era of growth, targeting increasing EBITDA to at least £20m by the end of 2025 and ensuring the business continues to grow and thrive into the next decade and beyond.

> "Our objective is to create a culture which leverages the skills of our people, empower them to deliver solutions via quality client relationships...

A clear strategy

The sale of the Fund Services division offers the Group a unique opportunity to accelerate the transformation of the business. Further simplifying the way that we work and leveraging the skills and experience we have across the Group, we are in an excellent position to increase the breadth of services offered to our existing clients, whilst attracting new clients looking for an integrated solution.

Private Wealth represents two thirds of our revenue today and developing our capabilities across Corporate Services sits at the heart of our growth ambitions. With significant opportunities identified to accelerate growth on the Corporate Services side, our goal is to create a more balanced business portfolio.

Protecting the quality of client relationships and offering an increased range of solutions will be key to accelerating organic growth, these initiatives will be supported by planned investments in people, marketing and technology. This commitment will raise both brand awareness and the productivity and service levels offered by our existing teams, product lines and offices.

As a Board we will continue to evaluate opportunities to accelerate growth, hiring individuals and teams and undertaking targeted acquisitions where we are confident in managing the business and the integration risks.

Our people

Our people are at the core of how we deliver value to our clients and as we refocus the business on Private Wealth and Corporate Services, the organisational structure and culture of the business will inevitably go through some changes. There will be an increased focus on deepening our client relationships as we continue to build out our shared services and the unification of operating functions across the Group.

As a Board we recognise that change can be challenging and will require focus and commitment. We are committed to developing an environment that nurtures growth, one where we will continue to invest in developing our existing teams, attracting new colleagues, promoting diversity and delivering a world class service to our clients.

Central to the success of our program is the leadership team under Robert Fearis, Group CEO. The team has recently seen a number of our colleagues retire and, as we prepare the Group for growth, new names take up the mantle. Alexandra McInnes from PricewaterhouseCoopers has been appointed as Group Chief Operating and Risk Officer (CORO) with responsibility for the Group's risk, compliance and infrastructure functions; Richard Morris has been appointed to the Group Board and continues his role as CFO, with responsibility for finance and information technology; and John Medina is promoted to the newly established role of Chairman of the Private Wealth business, with responsibility for driving the revenue and gross margin performance of this important division of the Group.

Aligning the interests of our stakeholders is critical and as a human capital led business, incentivising our staff to deliver this strategy is a key component to our success. We have reviewed our remuneration structures and as the business resets, have launched new annual and longer-term incentive plans. These take account of our target returns, the risk profile of the Group, delivery of superior client service and creating the returns demanded by our shareholders.

Capital structure

The sale of the Fund Services division resulted in the Group receiving £48.5m of the sale proceeds in December 2021 with a further £5.5m to be received in July 2022 when all contingent obligations have been met. In December the Group announced a plan to return £40m of the proceeds to shareholders through a share tender offer which was completed in March 2022. The tender reduced the shares in issue by 23.68%.

Chairman's Statement
continued

Dividend

As the business refocuses on Private Wealth and Corporate Services it is also the Board's intention to return to paying a regular dividend during the financial year to 31 December 2022 whilst retaining access to capital to enable the business to grow. The Board expects the first interim dividend to be declared following the announcement of the interim results for the six months to 30 June 2022 with payment expected in October 2022, and a dividend declared with the audited accounts for the 12 months to 31 December 2022 anticipated to be paid in the second quarter of 2023.

Environment, social and governance

Over the last eight months we have seen environmental, social and governance principles firmly embedded into the DNA of the Group. The establishment of a Group ESG Committee under the leadership of Martyn Crespel in March 2021 has drawn colleagues from across the business network. Whilst it is still early days, significant progress has been made across each of the environmental, social and governance areas, with the launch of enhanced policies around diversity and inclusion, human rights, travel and donations. Increased levels of support have also been made to local charities and not for profit organisations through our office network. Looking forward into 2022 as a board we are committed to building on these foundations, enhancing our internal practices and our support for the wider community beyond the business.

New era. New growth

These are exciting times for the business. In a global context that has seen the impact of COVID-19 and the Ukrainian conflict affect everyone's life, we are aiming to adapt, innovate and map a decisive and positive strategy for the future.

As we prepare the business for these new challenges, I would like to thank everyone in the Group for their commitment, and our clients and shareholders for their continued support.

Finally, on a personal note, I would like to say how delighted I am to be a part of this journey.

Iain Torrens
Chairman

18 May 2022

Chief Executive's Statement

Now, more so than at any stage in our lifetimes, the two phrases, 'be prepared' and 'be vigilant' seem especially significant. Recent global events have shaped how we approach our everyday life and underlined the need to carefully consider the future, question prevailing thinking and seek better solutions.

Innovation has been at the heart of Praxis for nearly 50 years. As a business we have endeavoured to create a culture and an outlook that encourages challenging the accepted, and the seeking of more efficient methods and processes. In short, we have always sought to prepare for and shape the future, rather than waiting for the future to shape us.

With our new financial year end falling only two months after the reporting period of our interim results, I do not propose to undertake a review of the business when only a short time has elapsed since the last report. Of greater importance is a forward look at the direction which the Group is now taking.

A refocused and value-driven model

Following the completion of the sale of our Fund Services division, we have refocused on our Private Wealth and Corporate Services expertise. Our strategy, as outlined in our March 2022 Group strategy presentations, is to maximise the opportunity created by the inter-relationship between these two service lines, our global network, and the people and corporates that lie behind each of our valued client relationships.

Within our industry, global demand for both Private Wealth and Corporate Services remains strong and is forecast to remain so in all the jurisdictions where we have an ongoing presence.

> Our strategy, is to maximise the opportunity created by the inter-relationship between these two service lines...

Chief Executive's Statement
continued

The Group is well positioned globally to exploit this growth and where interesting opportunities exist outside of our existing office network, we will look to develop strategic partnerships with like-minded professionals to build our capability and client offering in a mutually beneficial way.

We have a resilient and attractive business model built around long-term recurring revenues, combined with professional services profit margins and improved operational cash generation.

Listening to the market

Retaining a deep understanding of what our clients want from us and delivering the products and services to satisfy these demands not only adds value to our clients but to all our other stakeholders.

The ability to cross-sell the Group's global services and become the provider of choice to private wealth and corporate clients' wider requirements, offers the business a clear opportunity to expand revenue streams, while at the same time creating a more effective and efficient client experience.

The quality of our client experience drives the success of our business, deepening our relationships, offering a wider range of value-add services, and delivering a relationship led from a single global touch point.

Our aim is to engage with our clients at every opportunity, building on our substantial reputation for quality service delivery, a reputation that gives us a distinct advantage in our markets.

Creating long-term value

Our client experience, our operating model and driving business growth are the key elements of creating long-term value for our stakeholders.

At our March 2022 Group strategy presentations we demonstrated our commitment by setting an initial target of £20m+ EBITDA by 2025, what we have termed '20+ by 25'.

To achieve this, we have identified three routes:

- Growth in our existing services – delivering more to existing clients and targeting new clients
- Growth through new services – developing new value-add services and growing our corporate services
- Inorganic growth – strategic acquisitions and preferred partnerships

We believe our refocused model for the business, investment and commitment will allow our talented teams, in all jurisdictions, to drive growth and deliver on our targets, for 2025 and beyond.

Our people

We value the quality of the people in our business and their commitment and energy are pivotal to our future success. The early part of 2022 has seen the launch of a reward system designed to link directly to the strategic goals of the Group. The forthcoming year will also see investment in learning and development to ensure our people remain of the highest calibre. We will also continue to embed the culture, ethos and structure of the business, one which openly encourages the expression of ideas and original thinking, driving our reputation for innovation.

Change and investment

Driving improvements in operational leverage means that we must undergo a period of change, to bring the Group together into a cohesive unit that delivers high quality client services efficiently and effectively, building out our shared client services to support our operating businesses.

The transition is already under way and the appointment of Alexandra McInnes, our Chief Operating and Risk Officer is an important initial step. The reorganisation of the Group Executive Committee so that it represents all the elements and functions of the Group, will further equip us to deliver strong and consistent growth.

We plan to continue investing in our technology platform so that it supports the needs of our clients, supports the needs of our people, and provides a secure and resilient platform. The quality of our technology underpins the quality of our client service, providing both accessibility and security. It enables delivery and drives efficiency within our business.

COVID-19 and the Ukraine conflict

As I write this report, the COVID-19 pandemic is no longer the headline. The Ukraine conflict now dominates the news.

We all hope that hostilities cease soon, a lasting solution is found and the suffering being endured by so many people is ended.

Sadly, this is a stark reminder of how fragile peace can be and how devastating a major conflict is, not just on the countries involved, but also on their neighbours and the wider world.

We continue to carefully monitor the changing and increasing sanctions being imposed on the Russian Federation, and those individuals and countries aligned with it, to ensure our ongoing compliance with these important obligations. As a Group we have little exposure to either clients from or assets located in the Russian Federation and so, as things stand today, the direct impact on us as a business is small.

Like so many people around the world we look forward to peace and reconciliation at the earliest opportunity.

Looking forward

As the world around us once again faces new and worrying challenges, we look to secure our clients' financial growth and security, providing reassurance and trust in everything we do.

The quality of our service reflects the quality of our people, and I would like to take this opportunity to thank everyone for their continuing hard work and dedication over the last eight months, it is greatly appreciated.

I would also like to thank our shareholders for your continuing support of the Group.

I am sure you will all join with me in hoping for a more peaceful and healing time in the coming months and years.

Robert Fearis
Chief Executive Officer

18 May 2022

Our values ... Our people ... Our success

We are a diverse business yet fully aligned through our values and our connections to the interests of our clients, stakeholders and the wider community.

Our values

- We are one
- We nurture trust
- We listen to our clients
- Our workplace inspires
- We value different

Chief Financial Officer's Report

The period ending 31 December 2021 has seen the Group continue to operate effectively during the global pandemic while reducing its debt, building the foundations for the next phase of its growth, and completing the disposal of the Fund Services division to Sanne Holdings Limited.

The Group also completed its change of financial year end to align with the calendar year. The financial statements present the eight-month period to 31 December 2021 and is presented against the 12-month period to 30 April 2021, in line with the requirements of our reporting standards.

Continuing revenue for the period was £30.6m versus £47.1m for the prior year. The eight-month period to December includes the third calendar quarter, where revenue generation is historically at its lowest due to annual leave being taken in the summer and client activity decreasing. Invoicing in the first quarter of 2022 has been in line with previous periods, further supporting the seasonality of income. Gross profit margin for the continuing operations improved from 57.2% to 58.5% driven by the annualised impact of cost savings made in the prior year.

Continuing EBITDA moved from a loss of £94k to a loss of £60k, with the increase in gross profit margin being offset by the costs previously allocated to the Fund Services division for shared services and infrastructure now being supported by the remaining Group, along with costs related to office space previously borne by the Fund Services division. Underlying EBITDA was £3.0m for the period versus £7.9m for the prior year, with margin decreasing from 16.7% to 9.8%, with the decrease in margin again linked to the stranded costs.

Divisional Review

Private Wealth & Corporate Services

The Private Wealth & Corporate Services division represents 89% (PY: 90%) of continuing Group revenue for the period. The eight-month period includes quarters where time-based revenue is significantly impacted by seasonality, and the impacts of accelerated integration of acquired businesses, along with gross profit margin impacts of cost savings, are seen exclusively within this division. The division has also seen a delayed impact of COVID-19 representing a curtailing of organic growth in the period. This has combined with the accelerated integration of acquired businesses, with a level of client attrition typically triggered by the re-contracting and onboarding process.

In the Channel Islands, the Guernsey business has substantially completed the integration of the acquired Confiance and Nerine business, with the expected contraction in revenue flattening and providing a stable platform on which to build, and Jersey has continued on its strong trajectory of year-on-year revenue growth.

Our UK business, previously categorised as a developing office, has continued to grow and has now achieved break even, with the UK poised to be a strong market for growth in the forthcoming years. Netherlands has continued the integration and streamlining of its operations and, alongside the UK, represents an area of growth for clients seeking a unified presence in both the UK and Europe.

Isle of Man and Geneva have remained stable. The incoming regulatory changes in Geneva are expected to trigger market consolidation with smaller boutique businesses seeking a strong operational environment in which to undertake their regulated activities, which the Group is able to provide.

Malta has seen the impact of the purchase of a client book and Abacus Crew Limited. The acquisition was a strong strategic fit to accelerate the growth of our yacht services offering. The integration process was completed seamlessly and the acquisition is already generating value for the Group. Further detail on this can be found on page 53.

Looking further afield, BVI has continued its strong performance, with our offering around economic substance reporting providing a valued service to clients and driving growth in recurring revenues. Finally, the UAE and Hong Kong are categorised as developing offices for the last time this year. Both offices form a key part of the Group's future as they provide access to fast growing populations of UHNW individuals and act as a key client contact and entry point for the rest of the Group.

The first quarter following the year end saw a significant client win for the UAE office which will bolster its improved performance over the past two years with the expectation of it breaking even in the forthcoming period. The Hong Kong office has suffered from the impacts of the pandemic, public unrest and political instability in the region and its losses have increased since April 2021. The Group has begun working with local management to restructure the business and increase its use of shared services, with the aim of returning it to profitability.

Pensions

The division represents 9% (PY: 9%) of continuing Group revenue for the period. The division has seen significant growth in the Maltese pensions business, with further investment in our technology platform expected to bolster this. Recent changes in US pensions legislation also represent an opportunity for the Group to strengthen its service offering.

The growth in Malta has been offset by contraction in the Guernsey pensions business, as natural client attrition has continued. The Group believes that increased marketing of the cell structure acquired with Cavendish Corporate Investment PCC Limited will bolster revenues.

Future Changes to Divisional Presentation

This period represents the last time the existing divisional presentation will be used. Going forward, divisions presented will be Private Wealth and Corporate Services and the Pensions division will be included going forward.

Disposal of the Fund Services Division

The disposal of the Funds Services division was completed for cash consideration of £54.0m of which £5.5m to be received in mid-2022 when all contingent obligations have been met.

The Group recognised a gain on disposal of £47.9m, which is treated as a non-underlying item later in this report. In the seven-month period up to its disposal the Funds division generated revenue of £8.3m (PY: £12.1m). Further details on the disposal can be found on page 63.

The disposal of the Fund Services division represented the final phase of unifying and streamlining the Group, whilst also representing an opportunity to return capital to shareholders following the period end. The disposal was completed on 3 December 2021 and the results of the Fund Services division are presented as discontinued operations for both the current period and prior year comparative.

The shared services and infrastructure of the Group had been designed to support turnover of more than £60m, delivered across a range of service lines. With the Group's strategy pivoting back to growth, the Group has begun the process of identifying infrastructure and services that will be needed as the Group pursues its strategy of growth over the next four years. This will ensure the right platform is in place for the next phase of its growth and delivering on its strategy to build revenues that surpass previous levels.

The disposal of the Fund Services division also triggered significant costs related to restructuring the Group, as well as advisory engagements on strategy, remuneration and risk.

Chief Financial Officer's Report
continued

Underlying EBITDA of the continuing business

EBITDA is considered a good measure for the performance of the Group as it represents a good approximation of the cashflows generated by the operating activities. Underlying EBITDA is a non-GAAP measure of financial performance, and non-underlying items represent specific items of income or expenditure and gains and losses 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. A reconciliation of the underlying EBITDA of the continuing business is presented.

Significant adjusting items are the gain on disposal of the Fund Services division, goodwill impairment, restructuring costs triggered by the disposal of the Fund Services division, and developing offices.

	8 months ended 31 December 2021 £'000	12 months ended 30 April 2021 £'000
Continuing loss for the period/year	**(5,209)**	**(8,459)**
Interest	501	802
Tax	666	932
Depreciation	726	1,140
Amortisation	3,256	5,491
Continuing EBITDA as reported	**(60)**	**(94)**
Non-underlying items		
Impairment of Intangible Assets	1,339	4,631
Restructuring costs	776	–
Developing offices	526	869
Professional fees	160	1,013
Provision for onerous lease	138	714
Other items	120	–
Costs related to integration of acquisitions	–	665
Senior staff restructuring	–	419
Exceptional income	–	(345)
Continuing Underlying EBITDA	**2,999**	**7,872**
Continuing Underlying EBITDA margin	**9.8%**	**16.7%**

Cash Flows

Cash from operating activities improved over the comparable eight-month prior period, driven by further improvement in collection of debtors. At 31 December 2021, after adjusting for a trailing twelve month period, net debtor days were 54 days.

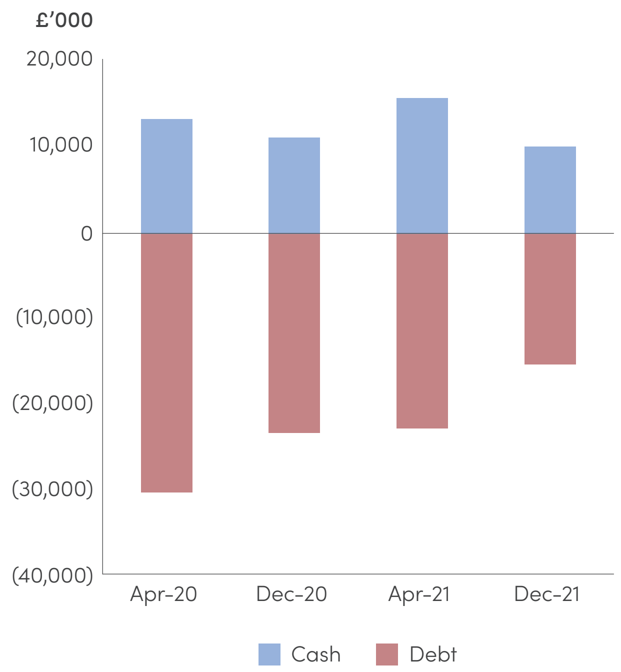
This improved position was expected as debtors are at their lowest in December prior to the invoicing of annual fees and now reporting debtors at this period end will bring into focus the strong debtor control environment implemented.

Cash from operating activities was £2.0m vs £7.9m when comparing the reported periods. This comparison of cash from operating activities is affected by differing period lengths and non-coterminus period ends. Cash collections for the period from January to April 2022 were in line with the same period in 2021.

Cash and Net Debt Position

Following the restructuring of its bank facility in the prior year, the Group continued to repay its loan facility borrowings, with £3.6m repaid in the eight-month period (PY: £3.8m). At the period end the Group had £25m of committed facilities, including its overdraft, of which £14.7m were drawn (PY: £18.1m). Further detail on the bank facilities and amortisation schedule can be found in note 20 of the financial statements. Following the period end, £4.7m of borrowings were repaid from the proceeds of the Fund Services division disposal. At the date of publication, £10m of Group's facilities were drawn.

At 31 December 2021 the Group held £50.0m in cash (PY: £15.5m). Of this balance, £40m was allocated to the return of capital to shareholders completed in March 2022, resulting in an adjusted cash position at period end of £10.0m. The adjusted cash position of the Group is lower than that seen in April 2021 due to December representing the furthest point from billing its annual fees in advance. The Group's net debt position was £4.7m (PY: £6.6m) after excluding the cash to be returned to shareholders. The chart below presents the progression of the Group's cash and debt position since 30 April 2020.



Goodwill

Goodwill at 31 December 2021 was £37.0m (PY: £41.9m). This represents one of the 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).

Three impairments of goodwill have been recognised in the period. All three impairments represented business acquisitions forming part of our Netherlands operation. In all cases impairment was due to a reduction in revenue of the acquired clients driven by integration into the Group triggering an exit of the client relationship.

For further detail on the processes around goodwill recognition and impairment please refer to the accounting policy found in note 2.

Richard Morris
Chief Financial Officer

18 May 2022

Risk Statement

Introduction

As a provider of regulated financial services in various highly regulated jurisdictions, risk management and compliance are 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.

Regulatory Standards

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 international regulatory standards continually change and develop, this leads to ever increasing challenge and scrutiny from our regulators. As a Group we therefore believe it is important to remain proactive and able to identify changes and ensure that our policies and procedures remain fit for purpose at all levels.

Regulatory compliance particularly in areas relating to financial crime, 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 Control

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 and continues to evolve, the objective being the adoption of the industry standard "three lines of defence" risk management model.

The Risk Management and Control framework allows the Group to monitor and maintain its defences to risk. Each of the regulated businesses within the Group undertakes an ongoing business risk assessment process which helps verify existing risk assessments, identifies potential new risks and helps frame the Compliance Monitoring Programmes and other risk management controls.

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 Group Board considers these findings in the context of its strategic business objectives and takes appropriate, risk-based action

Compliance

The Group's jurisdictional compliance teams report on key performance indicators including the findings of their respective Compliance Monitoring Programmes, directly to the Group Head of Compliance, who in turn reports to the Executive Committee and separately, to the Audit and Risk Committee.

The Group continues to ensure the maintenance of high standards of compliance in respect of risk assessment, client take-on, financial crime and other regulatory requirements by delivering comprehensive and effective training to staff, reviewing and improving risk management, and 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.

Planned Risk Management Enhancements

Over the next 12 months the Group expects to reinforce its risk management practices through the recent appointment of Alexandra McInnes as Chief Operating and Risk Officer and also further enhance its Compliance and Risk Management Framework.

Key Risks

Risks are actively managed and monitored by management and the boards, both at entity and Group levels. We have described below our key risks, which are managed through more detailed risk reporting by the underlying entities and the Group.

Legal and Regulatory

We recognise that any breach in relation to applicable laws, 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 monitors adherence to internal processes and procedures to ensure that regulatory and legal requirements are understood and appropriately applied in each of its jurisdictions. In addition, the Group ensures its employees receive comprehensive and effective training and ongoing support.

Information Security

With data being a vital resource of the Group, we are acutely aware of the risk of data loss or loss of access to data or systems and the impact of this on client confidence, on the potential for non-compliance with data related legislation and the Group's ability to continue to provide its services. 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. Anti-virus and anti-malware software is installed and automatically updated. Compulsory information security training is in place. The Group has in place a Cyber response plan based on industry leading standards.

Financial Risk

The risk that 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

We recognise the risk arising from the fact that 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 is committed to building a culture where knowledge is shared and spread throughout the Group, and we are able to develop the next generation of leaders from our talented teams.

Transformation

In order to deliver against our strategy for revenue growth, the Group is embarking upon an operating model transformation. We acknowledge the risks of any transformation programme, both operational and financial. The Group has engaged with third party experts to assist with defining, planning and managing the transformation process in a measured manner, including regular regularly reporting and review of progress.

Macro-Economic Environment Risk Factors

The macro-economic environment risk factors detailed below are addressed separately from the Key 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.

War in Ukraine

The war in Ukraine and the economic sanctions that have been imposed by governments worldwide have been assessed by management as a non-adjusting post balance sheet event, as conditions did not exist at the end of the reporting period.

The Group has responded to the sanctions imposed and requests issued by regulators to continuously check and monitor whether it maintains any accounts or otherwise any kind of relationship with the persons referred to in sanctions notices. Daily screening checks are being performed by the Group's risk and compliance team against sanctions imposed. The Group has ensured that its cyber security procedures and training are reinforced.

Management have assessed the impact of sanctions during the post year end period prior to the approval of the financial statements. Based on this assessment, at the point of approving these financials statements there is no material impact on our clients or our operations. There is no material impact upon income, expenditure or the carrying value of assets or liabilities.

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 two years 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.

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 20. The Group's ESG Committee (ESGC), reports directly to the Board.

Our environment

In June 2021 the Group made a formal commitment to environmental sustainability by appointing ESI Monitor to provide us with expert support and guidance in this area. Every office has been enrolled on the Environmental Business Operations Framework provided by ESI Monitor, with each office having a team or representative leading the project in their location.

This framework is an international benchmark and serves as an environmental management system to measure, manage and minimise an organisation's environmental impact, including measurement and management of emissions.

To establish a baseline for the Group's emissions, it was decided to use 2019 as an indicative year, as normal operations and travel were disrupted by the pandemic in 2020 and 2021. The carbon footprint of the Group for 2019 was 384.6 tCO_2e (tonnes of Carbon Dioxide equivalent).

As the world has opened up the Group has continued the development of its travel policies in order to bring the impact of these into focus. We have also engaged in waste minimalization programmes and combined these with recycling programmes where waste is unavoidable.

The Group is committed to long term sustainability and will seek to balance the needs of our business and our clients with the impact our actions have on the world around us. We will do this by:

- Creating policies and commitments that seek to align the Group with international standards
- Guide our teams through planning and implementation to reduce our environmental impact, while still maintaining contact with our clients
- Measure our carbon footprint creating quality benchmarking data

People

People are at the heart of the Group and remain our most valuable asset, and our future strategy prioritises engagement, investment and reward with our people so that they are able to provide the best service to our clients.

Investment

With our continued focus on governance, the Group needed to invest in technology to improve HR processes, become automated throughout the employee life cycle and keep us all connected. A key initiative is the development of 'the Hub', a new global HR system which is transforming the way we manage our people data from the point of onboarding through to offboarding as well as assisting with shaping our communication and culture as we continue on our journey.

The project, which represents a major investment for the Group, launched in January 2021 with the first phase completed in September 2021. We continue to see further development in terms of new functionality since its launch with additional modules to become available in 2022 and beyond.

Culture

A key strategic initiative catalysed by the sale of the Fund Services division was a review of the Group's culture, and defining the behaviour and values that will underpin the future success of the Group. The Group has grown considerably over the last three years and we are in the process of understanding and agreeing a common culture for ourselves as a business.

In this respect, 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 and while this is in progress, we have already made improvements in respect to understanding and embedding our culture and ensuring this is extended throughout our organisation and will monitor progress through regular pulse surveys.

Mental Health

As part of our ESG initiatives we are continuing with a series of 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.

To mark UK Mental Health Week 2021 a panel including Rob Fearis were joined by guest speaker Joanne Quinn, a mental health and wellbeing consultant for an online session that was open to all staff. The event in May 2021 heard from Rob and colleagues from around the Group talking about their approach to mental health together with some practical advice. We continue to build on our team of Mental Health First Aiders across the Group, providing training and support where it is needed.

Learning and 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 have aligned the annual promotion cycle with the calendar year. This enables the performance of individuals and teams to be viewed in the context of the performance of the Group as a whole.

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.

Ownership

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.

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. The Group introduced a new volunteer time initiative and from January 2022 every member of staff is able, and encouraged, to use the time helping their community. We will include highlights of their work in our next annual report.

Island beach clean

During 2021, our Jersey team headed to the beach to take part in an hour-long beach clean to tackle pollution and the serious risk it poses to marine life. With the increased use of PPE like disposable masks, the threat is as great as ever and picking across Long Beach and St Aubin's Bay our colleagues found all sorts of common pollutants. In the spirit of green initiatives, many of our beachcombers also took up our challenge to get to and from the clean without using their cars.

Envision mentoring programme

Envision, a UK programme, 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 was 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. PraxisIFM was later named Mentor Team of the Year by the charity.

Spirit of Variety

PraxisIFM is the main sponsor of the Variety Sailing Trust in Jersey, a charity providing sailing opportunities for disadvantaged young people and children with special needs.

To continue its fantastic work, the Trust relies on donations, which go towards a specially modified yacht and its maintenance, along with management and training costs of the skippers and crew. Operating a 38-foot catamaran 'Vernon Lilford Spirit of Variety', the Trust can offer hundreds of local children a freeing, involved and vitalising nautical experience.

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 associations and social services, 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 helps an average of 9,800 beneficiaries a week and in 2020 distributed 1,400 tonnes of food.

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.

Hoplites AFC

Having supported the club since 2018, in late 2021 we gave a firm commitment to the team to support them for the foreseeable future.

The community club finished the first round of the 2021 league in fourth place, qualifying for the Championship Pool and securing safety from the relegation zone.

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

Group Board of Directors

Iain Torrens FCA

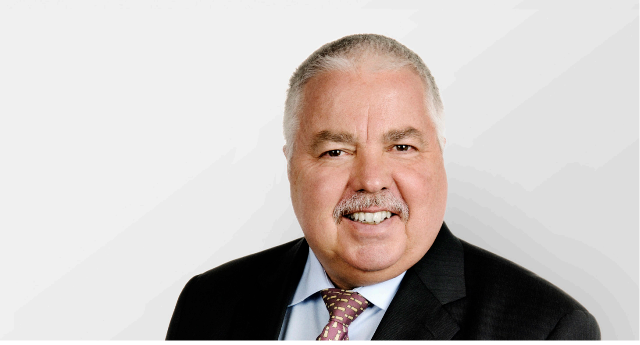
Chairman, Independent

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 over the last three decades. 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.



Martyn Crespel TEP

Executive 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.

Diane Seymour-Williams MA Cantab

Non-Executive Director, Independent

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 Non-Executive Director 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.

Stephanie Coxon FCA

Non-Executive Director, Independent

Stephanie is a Non-Executive Director and Audit Committee chair on several London listed companies. 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, risk management accounting policies and reporting processes. Stephanie is a Fellow of the Institute of Chartered Accountants in England and Wales.

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.

Richard Morris ACA PhD Meng

Chief Financial Officer

Richard joined the Group in 2016 and is the Group's Chief Financial Officer and is responsible for financial reporting, forecasting and control, as well as information technology. 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 and was appointed to the Board on 1 February 2022.

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 period the Group has complied with the principles of the Code.

The Board

The Board consists of four Non-Executive Directors (three of which are independent and one represents the largest shareholder), and three Executive Directors as detailed on pages 18 and 19. 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 period are detailed in the Directors' report on page 26.

Membership of the Board

The Board held three scheduled quarterly meetings and nine ad-hoc meetings during the eight month period. Attendance at meetings during the period is detailed in the Directors Report on page 26.

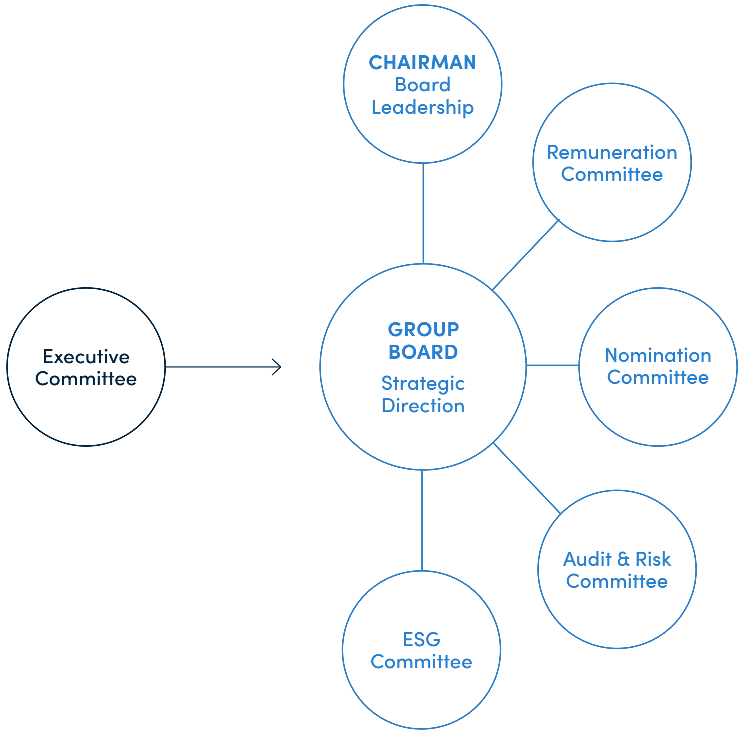
The Board oversees the strategic direction of the Group and provides effective leadership to enable the Group to enhance value to all stakeholders.

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 2022 and the findings are summarised on page 24.

Board Committees

The Board has delegated certain responsibilities to enhance effective governance and focus. The Group's government structure is shown on the page opposite, with the responsibilities detailed in the table on pages 21 & 22.



Audit and Risk Committee

During November 2021 the Risk Sub-Committee was merged with the Audit Committee to form the Audit & Risk Committee. The Audit & Risk Committee is chaired by Stephanie Coxon and is comprised entirely of independent Non-Executive Directors, each having relevant skills and experience as prescribed by the Code and each bringing an independent mind-set to their role. The Committee, as a whole, has the competence relevant to the sectors in which the Group operates and the Chair, among others within the membership have recent and relevant financial experience.

External Auditors

The Audit & Risk 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, assisting with the appointment of an engagement partner and making formal recommendations to the Board on the appointment, reappointment and removal of the external auditor. The Audit & Risk Committee annually assesses, and reports to the Board on, the qualifications, expertise and resources, and independence of the external auditor and the effectiveness of the audit process, with a recommendation on whether to propose to the shareholders that the external auditor be reappointed.

Safeguarding Auditor Objectivity and Independence

The Audit & Risk 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 auditor, the Audit & Risk 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.

Financial Reporting

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

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

Internal Controls

The Board as a whole is responsible for the Group's system of internal control, however the Audit & Risk Committee assists the Board in meeting its obligations in this regard. There is currently no direct internal audit function, with the Executive Committee overseeing the daily operational activities of the Group. However, a tender process commenced in March to identify and engage an internal auditor by mid-June 2022. Annually, the Audit & Risk Committee reviews the effectiveness of the Group's material controls, including financial, operational and compliance controls.

Remuneration Committee

During 2021 the Nomination and Remuneration Committee was split into two separate committees. The remuneration committee is chaired by Diane Seymour-Williams.

The Group believes it is fundamental that all staff are rewarded for their contribution to the business's success, therefore on 12 April 2022 the Group notified all staff of a cash bonus plan linked to the delivery of the strategy to position Praxis as a leader in the private wealth and corporate services markets. The new plan will also enable staff to choose to participate in the ownership of the business through a share matching programme.

The key success factors for the first year of the programme will be focused around both increasing the efficiency of the business and driving revenue growth.

The plan is designed to reward both personal performance through meeting personal objectives, and the performance of the business unit in which the member of staff operates, or for those members of the team who work in the Group or Shared Service functions the performance of the wider group.

The Group recognises the importance of a transparent bonus plan and will allocate each participant in the pool a series of points based on their seniority in the organisation, as well as the scale and complexity of their role.

The measurement period will be 1 January to 31 December 2022 with recurring revenues being measured for bonus calculation purposes to 31 March 2023 resulting in bonus payments being made in June 2023.

Participants who receive a bonus will be offered the opportunity to either take the bonus in cash or to reinvest their bonus net of any tax into Praxis shares, which, subject to continued employment through to June 2026, will mean these shares will be matched by the Group.

Corporate Governance Structure
continued

Committees of the Board

Audit and Risk Committee

Responsibilities

- Oversee the Group's financial reporting and advise the Board on whether the annual and interim 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 controls
- Evaluate the appointment, performance, independence and remuneration of the external auditor
- Review, monitor and implement a policy on the engagement of the Group's auditor to supply other professional services to the Group and its subsidiary undertakings, taking into account relevant ethical guidance
- Review the adequacy and effectiveness of the Group's compliance function including the Group's anti-money laundering systems and controls
- Review on at least an annual basis the scope for an internal audit function.

Membership

- Stephanie Coxon - Chair
- Iain Torrens
- Diane Seymour-Williams

Minimum Meeting Frequency

Quarterly

Remuneration Committee

Responsibilities

- Determine and agree with the Board the framework for remuneration of the Board and senior management including any pension rights, bonuses, incentive payments and share options / share awards
- Review wider workforce remuneration and related policies to ensure incentives and awards are aligned to the culture and wider performance of the Group, as well as consistent with the Group's approach to risk
- Ensure that contractual terms on termination are fair to the individual and the Company
- Review the Group's gender pay report on an annual basis
- Monitor remuneration trends.

Membership

- Diane Seymour-Williams – Chair
- Iain Torrens
- Stephanie Coxon

Minimum Meeting Frequency

Annually

Nomination Committee

Responsibilities

- Regularly review and evaluate the structure, size and composition (including the balance of skills, knowledge, number of roles, experience and diversity) of the Group Board, as well as any appointments to the key regulated subsidiaries
- Consider succession planning for directors and senior management
- Review and monitor the leadership needs of the organisation
- Before any appointment is made to the Group Board, evaluate the balance of skills, knowledge, experience and diversity on the board, and, in the light of this evaluation, prepare a description of the role and capabilities required for a particular appointment
- Recommend to the Board the re-appointment of any non-executive director at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the Board, as well as the re-election by shareholders of directors having due regard to their contribution and the need for progressive refreshing of the Board.

Membership

- Iain Torrens – Chair
- Diane Seymour-Williams
- Stephanie Coxon

Minimum Meeting Frequency

Annually

Executive Committee

Responsibilities

- Day to day management of the Group's operations and activities
- 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, human resources and marketing strategy
- Negotiating terms with a target company to ensure the Group Board has sufficient information to authorise execution of contractual agreements.

Membership

- Rob Fearis – Chair
- Richard Morris
- Alexandra McInnes
- John Medina
- Sharon Coburn
- James Coyle
- Martyn Crespel
- Nick Mahy
- Ann Shanahan
- Ray Tully

Minimum Meeting Frequency

Monthly

ESG Committee

Responsibilities

- Assist, advise and make recommendations to the Executive Committee and Board in relation to the Group's ESG framework, strategy, policy and procedures.
- Monitor the development and implementation of the Group's ESG objectives
- Monitor external ESG trends and report to the Executive Committee and the Board important trends affecting the formulation of ESG policies, strategies and objectives.
- Assist with and review all ESG related disclosures.

Membership

- Martyn Crespel – Chair
- Representatives from key offices

Minimum Meeting Frequency

Monthly

Corporate Governance Structure
continued

Directors Fees

The table below discloses both Executive and Non-Executive Director fees paid for the period ended 31 December 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 the Audit and Risk Committee. There were no increases year on year. The fee for the Chair position is £75,000.

	Period ended 31 December 2021 £	Year ended 30 April 2021 £
Executive Directors		
Rob Fearis	244,038	130,683
Martyn Crespel	134,563	83,693
Non-Executive Directors		
Iain Torrens (from 1 September 2021)	25,000	–
Stephanie Coxon	33,287	10,463
Diane Seymour-Williams	29,958	45,000
Peter Gilson	29,958	5,792
Brian Morris (until 30 September 2021)	28,750	45,000

Nomination Committee

The Nomination Committee is chaired by Iain Torrens and 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.

Board Changes

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

- Iain Torrens was appointed as Chairman on 1 September 2021.
- Brian Morris was appointed as Non-Executive Director on 15 August 2018 and subsequently resigned from the Board on 30 September 2021.
- Richard Morris was appointed as an Executive Director on 1 February 2022.

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 Group. The Board also evaluates the effectiveness of each of the Directors.

The latest evaluation was undertaken on 8 April 2022. The key findings were as follows:

- There is a good mix of skills across the Board.
- The Board now consists of NEDs who will assist the senior management team in delivering the Group's strategy which encompasses increasing EBITDA to £20m by the end of 2025 and enhancing the culture.

Director's Report

The Directors present their report and the audited consolidated financial statements for the period ended 31 December 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.

Statement 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 Group 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 Group 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 properly prepared in accordance with UK Accounting Standards and the Companies (Guernsey) Law, 2008.

Principal Activities

The Group's principal activities are Private Wealth and Corporate Services.

Results

Earnings before interest, tax, depreciation and amortisation ('EBITDA') of continuing operations for the period was a loss of £59,353 (PY: loss of £93,829), the calculation for which is set out below:

	Period to 31 December 2021 £'000	Year to 30 April 2021 £'000
Loss for the period/year	**(5,209)**	**(8,459)**
Add back:		
Interest	501	802
Taxation	666	932
Depreciation	726	1,140
Amortisation	3,256	5,491
EBITDA	**(60)**	**(94)**

The Group has a mixed client base which is well-diversified, with no single client comprising more than 1.3% of continuing revenue in the financial period ended 31 December 2021. Furthermore, the top 10 clients accounted for less than 9.5% of continuing revenue.

Director's Report
continued

Dividends

During the period no gross dividends (PY: nil) were paid to the Company's shareholders.

Directors

The directors of the Company during the period are set out on pages 18 and 19.

Iain Torrens was appointed by the Board as a NED and Chairman with effect from 1 September 2021.

As previously announced, Brian Morris resigned on 30 September 2021.

At the AGM of the Company held on 15 December 2021, shareholders approved the appointment of Stephanie Coxon, Peter Gilson and Iain Torrens.

As previously announced, Richard Morris was appointed to the Board as an Executive Director on 1 February 2022.

Directors' Meetings and Attendance

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

Name	Board Scheduled	Ad Hoc	Audit & Risk Committee	Nomination and Remuneration Committee
Numbers of meetings held	**3**	**9**	**3**	**3**
Iain Torrens[1]	2	3	1	–
Stephanie Coxon	3	9	3	2
Diane Seymour-Williams	3	9	3	3
Peter Gillson	3	8	N/A	N/A
Robert Fearis	3	9	N/A	N/A
Martyn Crespel	3	8	N/A	N/A
Brian Morris[2]	1	7	N/A	3

[1] Appointed to Board on 1 September 2021 and to the Audit & Risk Committee on 7 October 2021

[2] Resigned from Audit & Risk Committee on 25 March 2021 and from the Board and Nomination & Remuneration Committee on 30 September 2021

Directors' Interests

The interests of the directors at the period in the share capital of the Company are set out below:

	31 December 2021			30 April 2021		
	No. of shares	Percentage	Interest	No. of shares	Percentage	Interest
Iain Torrens	35,000	0.03%	Direct	–	–	–
Stephanie Coxon	17,391	0.02%	Direct	17,391	0.02%	Direct
Diane Seymour-Williams	30,434	0.03%	Direct	30,434	0.03%	Direct
Peter Gillson[1]	105,000	0.09%	Direct	5,000	0.01%	Direct
Robert Fearis[2]	3,537,500	3.15%	Direct	3,527,500	3.13%	Direct
Martyn Crespel	774,574	0.69%	Direct	741,663	0.66%	Direct

[1] Peter Gillson also holds an indirect holding of 0.53% of the Group via his holding in Financial Services Opportunities Investment Fund Limited.

[2] Total beneficial interest with spouse.

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

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

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 31 December 2021			As at 18 May 2022		
	No. of shares	Percentage	Interest	No. of shares	Percentage	Interest
Huntress (CI) Nominees Limited A/C KGCLT[1]	43,182,441	38.35%	Direct	33,147,667	38.57%	Direct
Brian Morris	4,334,596	3.85%	Direct	3,232,120	3.76%	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).

Director's Report
continued

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.

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 representation of females throughout the Group and the mean gender pay gap are presented below, with prior year comparatives adjusted to remove employees of the Funds division.

The current representation of females throughout the Group is:

	31 December 2021	30 April 2021
Board	33%	33%
Executive/ Operational Directors	33%	35%
Senior Management	58%	60%
Staff	73%	71%

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

The Group has also measured its mean gender pay gap at 31 December 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.

	31 December 2021			30 April 2021		
	Number of males	Number of females	Pay gap	Number of males	Number of females	Pay gap
Board	4	2	-75%	4	2	-89.5%
Executive / Operational Directors	39	19	16%	33	18	17.5%
Senior Management	44	61	-6%	51	77	-2.9%
Staff	63	167	-1%	61	149	3.6%

The Group also has Equal Opportunities and Anti-bullying policies in place and in November 2021 introduced a new Diversity and Inclusion policy which was created by the ESG Committee.

The policy recognises that everyone is different, and therefore diverse. However, there's no point in diversity within PraxisIFM if we do not give everyone, no matter their role, the opportunity to be included in what we do and have their diverse points of view heard. Encouraging our employees to be as diverse in their thinking as possible, without fear of judgment, is not just the right thing to do, it's the commercially sensible thing to do. Time and again research shows that diverse teams, in which different voices are heard and respected, lead businesses to make better decisions.

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 and are included in 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 Group has a limited carbon footprint in respect of its day-to-day activities, the Board also notes that the Group 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 period see pages 14 to 17.

Company Secretary

The Company Secretary who held office during the period 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 year ended 31 December 2022 will be proposed at the AGM.

The following table summarises the remuneration paid to the External Auditor's member firms for audit and non-audit services during the period ended 31 December 2021:

	£
Audit fees	
Group audit fees	**377,868**
Non-audit services fees	
Tax compliance services	45,860
ISAE3402 reporting	55,125
Compliance reporting on regulatory return	1,400
Merger of Swiss Companies	5,666
Non-audit services fees Total	**108,051**
Total	**485,919**

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 and the Chairman 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 18 May 2022 and is signed on its behalf by:

Iain Torrens
Chairman

18 May 2022

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

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's affairs as at 31 December 2021 and of the Group's profit for the period then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

We have audited the financial statements of PraxisIFM Group Limited (the 'Group') for the period ended 31 December 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 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's 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 opinion

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 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 Directors' assessment and their conclusions with respect to going concern.
- We discussed with the Directors 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 the Directors' assessment of accounting estimates, which could be impacted by the economic environment resulting from Covid-19 and the Ukraine/Russia conflict, 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 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 challenges through historical performance and forecasts;
    ii. In December 2021, the Group received cash sale proceeds of £48,500,000 and is due to receive a further £5,500,000 cash proceeds in July 2022 if certain criteria are met following the sale of the Fund Services division. Following completion of the disposal, the Group has returned £40,000,000 of the proceeds to shareholders in March 2022 through a share tender offer and it has repaid £4,700,000 of its borrowings. The resulting cash position as at May 2022 is £12,995k
    iii. The cash position at December 2021 is at the lowest level of the working capital cycle as annual fees are billed on 1 January, as such the cash flow projections for the forthcoming period are positive and the Group has a healthy cash reserve to commence the 2022 calendar year.
    iv. Notwithstanding part iii 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 of 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 going concern by reading the other information, and assessing their consistency with the financial statements and the evidence we obtained in our audit.
- We assessed the Directors' going concern analysis in light of relevant economic factors and evaluated management's stressed scenarios. This included challenging the underlying data by reference to latest results of the Group and/or relevant external data for measures such as inflation. We also assessed the adequacy and appropriateness of the underlying assumptions used to make the assessment based on our knowledge of the Group 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]	97% (April 2021: 95%) of Group Revenue		
Key audit matters		December 2021	April 2020
	Revenue recognition	✓	✓
	Impairment of goodwill	✓	✓
	Debtor provisioning	✓	✓
Materiality	£250,000 based on 8% of adjusted underlying profit before tax (April 2021: £285,000 based on 8% of adjusted underlying profit before tax)		

[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 3 significant components and 55 non-significant components. Two of the significant components were subject to statutory audits completed by BDO Limited. The remaining significant component was audited by a BDO International member firm under the supervision of BDO Limited - Guernsey.

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, where considered necessary, 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 commencing
- 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. Accordingly we considered this to be a key audit matter.	For a sample of clients where accrued income has been recognised, we have assessed the level of chargeable time incurred and recovered post period end. For those amounts not billed or recovered post period end, we have challenged management's judgement and rationale as to the recoverability of the accrued income amounts with reference to 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 Group's 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 period 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 consolidated financial statements. Note 12 provides 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 an impairment review at each financial reporting date in respect of the carrying value of goodwill on a cash generating unit ("CGU") basis. Management uses a variety of models to determine the value in use of each CGU to which goodwill is allocated. The 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. Because of the assumptions and estimates involved we considered this area to be a key audit matter.	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 goodwill 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. Note 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. We therefore considered this to be a key audit matter.	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 period 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

	December 2021 £	April 2021 £
Materiality	250,000	285,000
Basis for determining materiality	8% of adjusted profit before tax after adjustment for one off non-recurring items in the financial period.	
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	175,000	213,750
Basis for determining performance materiality	Represents 70% of the above materiality levels. We selected 70% as an appropriate threshold based on the following considerations: the effect of the prior year identified misstatements was below materiality; management is open to adjustments; the level of sample procedures are planned and the fact that there are accounts that are subject to estimation.	

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 £1,500 to £126,000. 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 £12,500 (April 2021: £8,500). 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 and Audited Financial Statements, 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, 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 Group'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 Group 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 Group and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the Group'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 (as considered to be key audit matters as discussed above). We also considered how management override could occur in respect of our journal testing and ensured that our criteria for testing reflected our understanding of where and how this could occur.

We communicated relevant identified laws and regulations and potential fraud risks to the group engagement team and 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

18 May 2022

Consolidated Income Statement

For the period ended 31 December 2021

	Note	Period ended 31 December 2021 Continuing Operations £'000	Period ended 31 December 2021 Discontinued Operations £'000	Period ended 31 December 2021 Total £'000	Year ended 30 April 2021 Continuing Operations £'000	Year ended 30 April 2021 Discontinued Operations £'000	Year ended 30 April 2021 Total £'000
Turnover	4	**30,595**	**8,263**	**38,858**	**47,089**	**12,095**	**59,184**
Staff costs and other direct costs	5	(12,700)	(4,469)	(17,169)	(20,172)	(6,810)	(26,982)
Gross profit		**17,895**	**3,794**	**21,689**	**26,917**	**5,285**	**32,202**
Administrative salaries		(7,257)	(392)	(7,649)	(8,280)	(709)	(8,989)
Administrative expenses		(3,096)	(298)	(3,394)	(4,998)	(699)	(5,697)
Technical & training		(94)	(21)	(115)	(128)	(18)	(146)
Marketing		(410)	(32)	(442)	(381)	(21)	(402)
Computer expenses		(2,637)	(121)	(2,758)	(3,506)	(227)	(3,733)
Insurance		(866)	(242)	(1,108)	(1,378)	(177)	(1,555)
Travel & entertaining		(76)	(1)	(77)	(66)	–	(66)
Rent and rates		(2,149)	(43)	(2,192)	(4,068)	(76)	(4,144)
Amortisation of intangible assets	12	(3,256)	(25)	(3,281)	(5,491)	(74)	(5,565)
Finance & bad debts		(768)	(7)	(775)	(1,159)	6	(1,153)
Impairment of intangible assets	12	(1,339)	–	(1,339)	(4,631)	–	(4,631)
Other operating income	6	11	7	18	444	3	447
Operating (loss)/profit		**(4,042)**	**2,619**	**(1,423)**	**(6,725)**	**3,293**	**(3,432)**
Interest receivable & similar income	7	1	2	3	16	3	19
Interest payable & similar charges	8	(502)	(1)	(503)	(818)	(1)	(819)
Gain on disposal of discontinued operation	27	–	47,978	47,978	–	–	–
Profit/(Loss) before taxation		**(4,543)**	**50,598**	**46,055**	**(7,527)**	**3,295**	**(4,232)**
Tax on profit of ordinary activities	9	(666)	(204)	(870)	(932)	(237)	(1,169)
Profit/(Loss) for the financial period		**(5,209)**	**50,394**	**45,185**	**(8,459)**	**3,058**	**(5,401)**
Profit/(Loss) for the financial year attributable to:							
Owners of the parent		(5,209)	50,376	45,167	(8,459)	3,010	(5,449)
Non-controlling interests		–	18	18	–	48	48
Earnings per ordinary share (expressed in pence per share)							
Basic	11	(4.7)	45.9	41.2	(5.0)	–	(5.0)
Diluted	11	(4.7)	45.9	41.2	(4.9)	–	(4.9)

The activities related to discontinued operations in the current period have been identified and related to the Fund Services division.

The notes on pages 44 to 66 form part of the financial statements.

Consolidated Statement of Comprehensive Income

For the period ended 31 December 2021

	Period ended 31 December 2021 Continuing Operations £'000	Period ended 31 December 2021 Discontinued Operations £'000	Period ended 31 December 2021 Total £'000	Period ended 30 April 2021 Continuing Operations £'000	Period ended 30 April 2021 Discontinued Operations £'000	Period ended 30 April 2021 Total £'000
Profit/(Loss) for the financial period	**(5,209)**	**50,394**	**45,185**	**(8,459)**	**3,058**	**(5,401)**
Foreign exchange loss	(68)	18	(50)	(1,302)	29	(1,273)
Total comprehensive income/loss for the financial period	**(5,277)**	**50,412**	**45,135**	**(9,761)**	**3,087**	**(6,674)**
Total comprehensive income/loss for the financial period attributable to:						
Owners of the parent	(5,277)	50,394	45,117	(9,761)	3,039	(6,722)
Non-controlling interests	–	18	18	–	48	48

The notes on pages 44 to 66 form part of the financial statements.

Consolidated Statement of Financial Position

As at 31 December 2021

	Note	31 December 2021 £'000	31 December 2021 £'000	30 April 2021 £'000	30 April 2021 £'000
Fixed assets					
Intangible assets	12		37,585		42,475
Tangible assets	13		2,657		2,973
Investments	14		288		365
			40,530		**45,813**
Current assets					
Accrued income		5,963		3,383	
Debtors and prepayments	16	17,818		20,295	
Cash and cash equivalents		49,994		15,544	
		73,775		**39,222**	
Creditors: amounts falling due within one year	17	**(14,827)**		**(27,962)**	
Net current assets			**58,948**		**11,260**
Total assets less current liabilities			**99,478**		**57,073**
Creditors: amounts falling due after more than one year	18		**(10,913)**		**(13,809)**
Provisions for liabilities	19		**(898)**		**(714)**
Net assets			**87,667**		**42,550**
Capital and reserves					
Called up share capital	23		1,126		1,126
Share premium	24		66,344		66,344
Treasury shares	24		(2,740)		(2,740)
ESOP share reserve	28		200		661
Capital reserve	24		(1,063)		(820)
Profit and loss account	24		23,800		(22,102)
Equity attributable to owners of the parent company			**87,667**		**42,469**
Non-controlling interests			**–**		**81**
			87,667		**42,550**

The financial statements were approved by the Board of directors and authorised for issue on 18 May 2022 and are signed on its behalf by:

Richard Morris

The notes on pages 44 to 66 form part of the financial statements.

Consolidated Statement of Changes in Equity

For the period ended 31 December 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 2021	**1,126**	**66,344**	**(2,740)**	**661**	**(820)**	**(22,102)**	**42,469**	**81**	**42,550**
Profit/movement for the period	–	–	–	–	–	45,167	45,167	18	45,185
Other comprehensive income	–	–	–	–	(50)	–	(50)	–	(50)
Total comprehensive income	**–**	**–**	**–**	**–**	**(50)**	**45,167**	**45,117**	**18**	**45,135**
Movement on capital reserves	–	–	–	–	(193)	735	542	(99)	443
Exercise of share options	–	–	–	(461)	–	–	(461)	–	(461)
At 31 December 2021	**1,126**	**66,344**	**(2,740)**	**200**	**(1,063)**	**23,800**	**87,667**	**–**	**87,667**
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 of capital reserves	–	–	–		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**

The notes on pages 44 to 66 form part of the financial statements.

Consolidated Statement of Cash Flows

For the period ended 31 December 2021

	Note	31 December 2021 £'000	30 April 2021 £'000
Cash flows from operating activities			
Profit/(Loss) on operating activities before taxation		46,055	(4,232)
Adjustments for:			
Amortisation of intangible assets	12	3,281	5,566
Depreciation of tangible assets	13	783	1,219
Interest expense	8	503	819
Interest income	7	(3)	(19)
Provision for onerous lease	19	174	714
Goodwill impairment	12	1,339	4,631
Gain on disposal of discontinued operations	27	(47,978)	–
(Decrease)/increase in accrued income		(2,939)	1,671
Decrease in debtors	16	8,300	1,069
(Decrease) in creditors	17	(6,360)	(2,700)
Cash from operating activities		**3,155**	**8,738**
Income taxes paid		(1,110)	(823)
Net cash from operating activities		**2,045**	**7,915**
Cash flows from investing activities			
Purchases of tangible assets	13	(601)	(601)
Purchases of intangible assets	12	–	(73)
Cash paid for acquisitions	12	(189)	–
Cash lost on divestment of subsidiary		(3,974)	–
Cash expenses on divestment of subsidiary		(2,088)	–
Cash received from divestment of subsidiary		47,713	
Other investment income	14	–	38
Divestment of Electro Holdings	14	–	2,000
Interest received	7	3	19
Net cash from investing activities		**40,864**	**1,383**
Cash flows from financing activities			
Bank loan drawdowns		–	5,000
Bank loan repayments		(3,603)	(3,819)
Net movement on overdraft[1]		(3,963)	(3,214)
Deferred consideration paid		–	(2,301)
Net settlement of loan note consideration		–	(1,159)
Exercise of share options		–	211
Net capital flows from finances leases		(111)	(167)
Contractual covenant payments	26	(70)	(104)
Interest paid	8	(503)	(819)
Dividends paid		–	(46)
Net cash (used in) financing activities		**(8,250)**	**(6,418)**

The notes on pages 44 to 66 form part of the financial statements.

Consolidated Statement of Cash Flows

For the period ended 31 December 2021 continued

	Note	31 December 2021 £'000	30 April 2021 £'000
Net increase in cash and cash equivalents		**34,659**	**2,880**
Cash and cash equivalents at beginning of period/year		15,544	13,144
Effect of foreign exchange rate changes		(209)	(480)
Cash and cash equivalents at end of period/year		**49,994**	**15,544**
[1] Net movement on overdraft comprises			
Cash receipts		15,017	14,885
Cash payments		(18,980)	(18,099)
		(3,963)	**(3,214)**

The notes on pages 44 to 66 form part of the financial statements.

Notes to the Consolidated Financial Statements

1. Statutory information

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

2. Significant accounting Policies

The 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 periods 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.

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.

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 and industry standard.

Going concern

The Group has demonstrated the ability to deliver business as usual services to clients under prolonged business continuity conditions through historical performance and forecasts.

In December 2021, the Group received cash sale proceeds of £48,500,000 and is due to receive a further £5,500,000 cash proceeds in July 2022 if certain criteria are met following the sale of the Fund Services division. Following completion of the disposal, the Group has returned £40,000,000 of the proceeds to shareholders in March 2022 through a share tender offer and it has repaid £4,700,000 of its borrowings.

The cash position at December is at the lowest level of the working capital cycle as annual fees are billed on 1 January, as such the cash flow projections for the forthcoming period are positive and the Group has a healthy cash reserve to commence the 2022 calendar year.

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
- Reviewing repayment and servicing of borrowings (note 20)
- Regulatory capital requirements
- Potential impact of COVID-19
- War in Ukraine and sanctions

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 31 December 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 period 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 Group 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 period.

Other Income

Other income is recognised when earned, 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.

Contingent consideration asset

Contingent consideration assets are recognised when obligation exist to received additional amounts based on future events occurring and conditions being met.

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 ("CGU") for impairment testing.

At each reporting date goodwill is reviewed for indicators. If there is such an indication, an impairment review is conducted where the recoverable amount of the asset is compared to the carrying amount of the CGU.

The recoverable amount of the asset is the higher of the fair value les 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 cash generating unit'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 CGU.

If the recoverable amount of the asset is 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 CGU 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.

Goodwill arising on consolidation is amortised over management' 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 asset range as follows:

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)

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 consolidated 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 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.

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

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

Onerous contracts (note 19)
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. Management made a provision of £714k for financial year 30 April 2021. In the financial period to 31 December management has identified another lease which was acquired in the calendar year March 2020 as a part of an acquisition. The client portfolio was sold and the employees remaining at the property site do not generate enough revenue to cover the unavoidable expense of the lease. As such management have made a provision of £135k for the financial period to 31 December 2021.

Notes to the Consolidated Financial Statements
continued

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

Contingent Consideration (note 27)

Of the total £54m consideration for the disposal of the Fund Services division, £5.5m was contingent upon a key client of the Fund Services division remaining engaged with the business for a period of 8 months after the completion of the transaction. Management consider the contingent consideration to represent an asset as the receipt of the amount is virtually certain based on the conditions for the release of the amounts being satisfied at the balance sheet date and at the date of signing of the accounts, with the client not having given notice of terminating its engagement with the Fund Services division, as well as the contingent consideration amount being held by a third party with a contract governing the release of the amount.

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

On a quarterly basis management reviews all billing information and determines the outcome of whether the amount will be billed in the quarter/written off based on agreements with clients.

The balance at the end of the financial period was £5,963k (2021: £3,383k) and represents an increase due to changes in the billing made at the beginning of January 2021 as well as the timing change of the period end.

An increase/decrease of accrued income by 5% would result in a gain/charge to profit of £298k.

Impairment of debtors (note 16)

The trade debtors balance in the Group's consolidated statement of financial position comprises many individual balances. Whilst individually 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 factor of estimation uncertainty derives from 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 immaterial to the ultimate recovery of receivables.

The balance provided for at the end of the financial period is £3,276k (2021: £3,679k) and represents 49% as a portion of debtors which is significantly higher when compared to the prior year end. This is due to lower debtor balance of £6.6m at the end of the period.

An increase/decrease of bad debt provision by 5% would result in a charge/gain to profit of £164k.

Impairment of intangible assets (note 12)

The Group considers whether intangible assets 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. Impairment loss of £1,339k was recognised for three entities due to a reduction in revenue of the acquired clients driven by integration into the Group triggering an exit of the client relationship.

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 or 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 period ended 31 December 2021 the default sale multiple was 2.0 and the costs to sell were estimated at 1% of revenue.

In calculating fair value less costs to sell, the key input is the sale multiple applied. An increase in the sale multiple would result in an increase in the fair value less costs to sell of the CGU. The default sales multiple applied for the period ended 31 December 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 was increased from the default multiple based on the location and services provided, along with the quantum of revenue underpinning the CGU. The sales multiple for and Global Forward B.V. and Global Forward Trust B.V. and Stroeken were reduced due to client loss and revenue reduction that occurred as a result to 1.0. The loss of revenue and clients were the impairment indicators that led to the impairment charge recognised in note 12.

Value in use

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

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

The estimation of useful economic life is performed by management and is based on detailed review of the remaining client relationships. The attrition rate is applied on a straight-line basis. The WACC used for the period ended 31 December 2021 was 9.24% (2021: 8.10%).

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.

A decrease in the sales multiple of Private Equity Services (Amsterdam) BV to 1.0 would result in an impairment charge of £2.8m being recognised.

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 period: Private Wealth and Corporate Services (PW & CS), Pensions, Other and Discontinued Operations. Other represents the Treasury and Corporate Finance activities. The prior year results for the Funds reportable segment is now presented as Discontinued Operations. No client represents more than 10% of revenue.

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

For the period ended 31 December 2021:

	PW & CS £'000	Pensions £'000	Other £'000	Discont. £'000	Total £'000
Turnover	27,377	2,818	400	8,263	38,858
Staff costs	(11,043)	(1,075)	(1,024)	(4,027)	(17,169)
Gross profit	**16,334**	**1,743**	**(624)**	**4,236**	**21,689**
Gross margin	**60%**	**62%**	**(156%)**	**51%**	**56%**
Other operating income					18
Operating expenses					(23,130)
Operating loss					**(1,423)**

One acquisition was made in the period ended 31 December 2021. The client book of Abacus Corporate Services Limited also acquired sits within the Private Wealth and Corporate Services operating segment. The revenue generated by this book in the eight months ended 31 December 2021 was £148,143.

For the year ended 30 April 2021:

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

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

Geographical information

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

	31 December 2021 £'000	30 April 2021 £'000
Channel Islands	23,916	35,682
Rest of Europe	8,882	13,372
Netherlands	2,221	4,052
Caribbean	2,335	3,452
Rest of World	1,504	2,626
	38,858	**59,184**

5. Staff costs and other direct costs

	31 December 2021 £'000	30 April 2021 £'000
Staff salaries	15,622	23,938
Staff pension contributions	723	1,345
Staff health cover	54	448
Other direct costs	770	1,251
	17,169	**26,982**

6. Other income

	31 December 2021 £'000	30 April 2021 £'000
Other income	18	447
	18	**447**

7. Interest receivable & similar income

	31 December 2021 £'000	30 April 2021 £'000
Bank interest	3	19
	3	**19**

8. Interest payable & similar charges

	31 December 2021 £'000	30 April 2021 £'000
Bank loans	(503)	(819)
	(503)	**(819)**

Notes to the Consolidated Financial Statements
continued

9. Taxation

The tax assessed for the period is higher than the standard rate of income tax in Guernsey on taxable activities at 0% (PY: 0%). The tax charge for the period 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:

	31 December 2021 £'000	30 April 2021 £'000
Profit on ordinary activities before tax	46,055	(4,232)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in Guernsey on taxable activities of 0% (PY: 0%)	–	–
Effects of:		
Guernsey 10% tax activities	288	439
Overseas tax charges	582	730
Tax on results of ordinary activities	**870**	**1,169**

10. Dividends

Amounts recognised as distributions to equity holders in the period:

	31 December 2021 £'000	30 April 2021 £'000
Paid to non-controlling interest shareholders in subsidiary	–	46
Total paid to equity holders during the period	**–**	**46**

No dividends distributed or declared to company's shareholders during the period.

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.

	31 December 2021	30 April 2021
Loss for the period for continuing operations (£'000)	(5,209)	(8,459)
Profit for the period for discontinued operations (£'000)	50,394	–
Profit/(Loss) for the period (£'000)	45,185	(8,459)
Weighted average number of shares in issue	112,607,690	112,607,690
Treasury shares held	2,730,091	3,540,350
Basic earnings for continuing operations (pence per share)	(4.7)	(5.0)
Basic earnings for discontinued operations (pence per share)	45.9	–
Basic earnings (pence per share)	41.2	(5.0)
Dilutive shares	–	164,918
Diluted earnings for continuing operations (pence per share)	(4.7)	(4.9)
Diluted earnings for discontinued operations (pence per share)	45.9	–
Diluted earnings (pence per share)	41.2	(4.9)

12. Intangible assets

	Goodwill £'000	Client Book £'000	Business Software £'000	Total £'000
Cost				
At 1 May 2021	**60,777**	**–**	**1,629**	**62,406**
Purchases	–	243	–	243
Disposals	–	–	(49)	(49)
Disposal of funds division	(170)	–	(180)	(350)
Impairments to goodwill	(1,339)	–	–	(1,339)
FX movement	(261)	–	3	(258)
At 31 December 2021	**59,007**	**243**	**1,403**	**60,653**
Amortisation				
At 1 May 2021	**18,792**	**–**	**1,139**	**19,931**
Amortisation for the period	3,136	12	133	3,281
Disposals	–	–	(39)	(39)
Disposal of funds division	–	–	(107)	(107)
FX movement	–	–	2	2
At 31 December 2021	**21,928**	**12**	**1,128**	**23,068**
Net book value				
At 31 December 2021	**37,079**	**231**	**275**	**37,585**
At 30 April 2021	**41,985**	**–**	**490**	**42,475**

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.

The key assumptions used in determining the recoverable amount for each CGU are shown in the table on page 54. The table on page 55 presents a reconciliation of goodwill carrying value between 30 April 2021 and 31 December 2021 across all CGU's.

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

Following the acquisition, the clients were engaged by PraxisIFM Trust (Malta) Limited.

The Group also acquired 100% of Abacus Crew Limited, the assets and liabilities were immaterial so no separate note has been disclosed in the financial statement.

Notes to the Consolidated Financial Statements
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12. Intangible assets (continued)

Entity	Acquisition Date	Initial Years	Revised Years	Remaining Years	Location	Sale Multiple
Nerine Guernsey (Nerine Trust)	27/06/2018	20	N/A	16	Guernsey	2.0
Nerine BVI (Nerine Trust)	27/06/2018	20	N/A	16	BVI	2.0
Nerine Geneva (Nerine Trust)	27/06/2018	4	N/A	2	Geneva	2.0
IFM Group Limited	01/01/2015	20	N/A	13	Jersey	N/A
Private Equity Services (Amsterdam) BV	02/02/2018	10	N/A	5	Netherlands	5.5
Confiance Limited	08/12/2015	20	N/A	13	Guernsey	1.0
Cavendish Corporate Investments PCC Limited	20/01/2017	20	N/A	12	Guernsey	2.0
Global Forward B.V. and Global Forward Trust B.V.	15/08/2018	10	2	1	Netherlands	1.0
Jeffcote Donnison (Overseas) Limited	15/08/2018	20	N/A	16	Isle of Man	2.0
Jeffcote Donnison LLP	15/08/2018	10	N/A	1	UK	2.0
Ampersand Management (Geneva) SA & Ampersand Management (Mauritius) Limited	31/03/2016	20	N/A	14	Switzerland	2.0
Stroeken B.V.	11/10/2019	10	N/A	1	Netherlands	1.0
Kompas International	02/02/2018	10	N/A	3	Netherlands	2.0
JD Associates Limited	15/08/2018	20	N/A	3	Hong Kong	1.0
Trireme Pension Services (Guernsey) Limited	20/01/2017	20	N/A	12	Guernsey	2.0
Agility	06/11/2013	20	N/A	12	Guernsey	2.0
Balmor SA	04/08/2016	20	N/A	15	Guernsey	2.0
PraxisIFM Trust Limited Malta	20/05/2015	20	N/A	13	Malta	2.0

PraxisIFM Fund Services (UK) Limited is no longer listed as discontinued on 3 December 2021.

Reconciliation of Goodwill:

Entity	Carrying Value at 30 April 2021 £'000	Amortisation Charge £'000	Impairment Charge £'000	Disposal £'000	Exchange Movement £'000	Carrying Value at 31 December 2021 £'000
Nerine Guernsey (Nerine Trust)	10,967	(452)	–	–	–	10,515
IFM Group Limited	5,926	(282)	–	–	–	5,644
Private Equity Services (Amsterdam) BV	5,682	(566)	–	–	(183)	4,933
Confiance Limited	5,277	(212)	–	–	–	5,065
Nerine BVI ((Nerine Trust)	4,195	(173)	–	–	–	4,022
Cavendish Corporate Investments PCC Limited	2,387	(168)	–	–	–	2,219
Global Forward B.V. and Global Forward Trust B.V.	2,225	(727)	(1,136)	–	(65)	297
Jeffcote Donnison (Overseas) Limited	1,305	(51)	–	–	–	1,254
Ampersand Management (Geneva) SA & Ampersand Management (Mauritius) Limited	995	(36)	–	–	–	959
Jeffcote Donnison LLP	817	(97)	–	–	–	720
Trireme Pension Services (Guernsey) Limited	573	(53)	–	–	–	520
Stroeken B.V.	470	(155)	(120)	–	(12)	183
Nerine Geneva (Nerine Trust)	375	(53)	–	–	–	322
Agility	220	(25)	–	–	–	195
PraxisIFM Fund Services (UK) Limited	195	(25)	–	(170)	–	–
JD Associates Limited	171	(38)	–	–	3	136
Kompas International	104	(17)	(83)	–	(4)	–
Balmor SA	94	(6)	–	–	–	88
PraxisIFM Trust Limited Malta	7	–	–	–	–	7
	41,985	**(3,136)**	**(1,339)**	**(170)**	**(261)**	**37,079**

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 2021	**5,821**	**1,995**	**2,119**	**9,935**
Purchases	553	–	48	601
Eliminated on disposal	(140)	(39)	(184)	(363)
Disposal of funds division	(132)	–	(45)	(177)
FX movement	4	7	(6)	5
At 31 December 2021	**6,106**	**1,963**	**1,932**	**10,001**
Depreciation				
At 1 May 2021	**3,943**	**1,469**	**1,550**	**6,962**
Depreciation for the period	539	138	106	783
Eliminated on disposal	(109)	(39)	(95)	(243)
Disposal of funds division	(127)	–	(41)	(168)
FX movement	4	6	–	10
At 31 December 2021	**4,250**	**1,574**	**1,520**	**7,344**
Net book value				
At 31 December 2021	**1,856**	**389**	**412**	**2,657**
At 30 April 2021	**1,878**	**526**	**569**	**2,973**

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 31 December 2021 the Group had interests in the following entities:

Other interests	Country of incorporation	Types of shares	Proportion held %	31 December 2021 Fair Value £'000	30 April 2021 Fair Value £'000
The International Stock Exchange	Guernsey	Ordinary	3.30	270	294
Sequoia Economic Infrastructure Fund	Guernsey	Ordinary	0.02	–	53
AF Spa	Italy	Ordinary	4.0	15	15
SICAV	UAE	Ordinary	100	3	3
DPV Limited	Guernsey	Ordinary	12.5	–	–
				288	**365**

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.

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	PW &C
PES (Anguilla) Ltd	Ordinary	100	Anguilla	PW &C
Nerine Trust Company (BVI) Limited	Ordinary	100	BVI	PW &C
PES Curacao NV	Ordinary	100	Curacao	PW &C
Confiance Limited	Ordinary	100	Guernsey	PW &C
PraxisIFM Trust Limited	Ordinary	100	Guernsey	PW &C
Nerine Trust Company Limited	Ordinary	100	Guernsey	PW &C
PraxisIFM JD (Hong Kong) Limited	Ordinary	100	Hong Kong	PW &C
PraxisIFM Nerine (Hong Kong) Limited	Ordinary	100	Hong Kong	PW &C
PraxisIFM Trust Limited	Ordinary	100	Isle of Man	PW &C
PraxisIFM Trust Limited	Ordinary	100	Jersey	PW &C
PraxisIFM Trust Limited	Ordinary	100	Malta	PW &C
PraxisIFM Management (Mauritius) Limited	Ordinary	100	Mauritius	PW &C
PraxisIFM Netherlands Holding BV	Ordinary	100	Netherlands	PW &C
PraxisIFM International BV	Ordinary	100	Netherlands	PW &C
PraxisIFM Netherlands BV	Ordinary	100	Netherlands	PW &C
PraxisIFM Financial Services BV	Ordinary	100	Netherlands	PW &C
PraxisIFM Trust (NZ) Limited	Ordinary	100	New Zealand	PW &C
PraxisIFM Trust SA	Ordinary	100	Switzerland	PW &C
Nerine Fiduciare S.A.	Ordinary	100	Switzerland	PW &C
PraxisIFM Corporate Services (UK) Limited	Ordinary	100	UK	PW &C
PraxisIFM USA Inc	Ordinary	100	USA	PW &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

* These entities form a part of the funds disposal that took place on 03 December 2021. They have been included as they form a significant part of the business before disposal.

Notes to the Consolidated Financial Statements
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16. Debtors and prepayments

	31 December 2021 £'000	30 April 2021 £'000
Deferred consideration	2,000	–
Contingent consideration (Note 27)	5,500	–
Trade debtors	6,688	16,622
Prepayments	2,496	2,729
Other receivables	634	396
Rent deposit	286	325
Deferred tax asset	158	133
VAT debtor	56	90
	17,818	**20,295**

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 £3,276,453 (30 April 2021: £3,679,225) was recognised against trade debtors.

17. Creditors: amounts falling due within one year

	31 December 2021 £'000	30 April 2021 £'000
Deferred income	1,573	10,815
Bank loans (Note 20)	4,049	4,656
Overdraft	–	3,963
Sundry creditors	4,420	3,358
Trade creditors	1,704	1,568
Employee tax creditor	1,476	1,318
Taxation	986	1,225
VAT creditor	187	625
Deferred consideration (Note 26)	432	375
Finance leases	–	59
	14,827	**27,962**

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

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

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

	31 December 2021 £'000	30 April 2021 £'000
Bank loans (Note 20)	10,626	13,400
Deferred consideration (Note 17 & 26)	287	356
Finance leases	–	53
	10,913	**13,809**

19. Provisions

	Nerine House £'000	Waalre £'000	Onerous Leases £'000
At 1 May 2021	**714**	**–**	**714**
Arising during the period	–	135	135
Released/(utilised)	(174)	–	(174)
At 31 December 2021	**540**	**135**	**675**

Nerine House
Property with lease expiring 31 May 2024 that is unoccupied, although actively being marketed for subletting. An onerous lease cost provision has been recognised for the full length of the lease.

Waalre Building
Property is being partially occupied with less than two employees and lease is expiring 30 June 2024. The unavoidable costs of meeting the lease obligations under the contract exceed the economic benefits expected to be received under it.

Other Provision
Other provision of £223k made up the full provision as indicated on the balance sheet.

20. Bank loans

On the 31 May 2018 (subsequently amended and restated on 03 December 2021), PraxisIFM Group Limited (the "Group"), Trireme Pension Services (Guernsey) Limited, Trireme Pension Services (Malta) Limited, Cavendish Corporate Investments PCC Limited, Confiance Limited, PraxisIFM Trust Limited (Guernsey), PraxisIFM Trust Limited (Jersey), PraxisIFM Trust Limited (IOM), PraxisIFM Europe Limited, Nerine Trust Company Limited and Nerine Trust Company (BVI) Limited, PraxisIFM Netherlands Holding BV (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 period ended 31 December 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.

Notes to the Consolidated Financial Statements
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20. Bank loans (continued)

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

Bank Loan	Balance at 31 December 2021 £'000	Balance at 30 April 2021 £'000	Interest Rate %	Capital Repayment per Quarter £'000	Quarters Remaining
A	1,250	3,125	SONIA + 3.75%	625	2
B	5,000	5,000	SONIA + 3.75%	–	–
C	3,182	4,091	SONIA + 3.75%	454	1
Revolver	5,000	5,000	SONIA + 3.75%	–	–
EBT 1	–	500	4.10%	–	–
EBT 2	243	340	4.10%	119	2
	14,675	**18,056**			

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

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

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

	31 December 2021 £'000	30 April 2021 £'000
Within one year	4,551	4,656
Between one year and two years	124	2,441
Between two years and five years	10,000	10,959
After five years	–	–
	14,675	**18,056**

21. Net debt reconciliation

	1 May 2021 £'000	Cash flows £'000	Disposed £'000	Other non-cash changes £'000	31 December 2021 £'000
Cash at bank	15,544	38,633	(3,974)	(209)	49,994
Bank overdrafts	(3,963)	3,963	–	–	–
Obligations under finance leases	(111)	111	–	–	–
Bank loans	(18,056)	3,603	–	(222)	(14,675)
Net debt	**(6,586)**	**46,310**	**(3,974)**	**(431)**	**35,319**

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.

22. Financial instruments

The Group's financial instruments may be analysed as follows:

	31 December 2021 £'000	30 April 2021 £'000
Financial assets		
Financial assets measured at amortised cost	65,316	29,147
Financial assets measured at fair value	288	365
Financial liabilities		
Financial liabilities measured at amortised cost	21,518	23,826

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 17 and 18, 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.

Notes to the Consolidated Financial Statements
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23. Called up share capital

	31 December 2021 £'000	30 April 2021 £'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:

	31 December 2021 £'000	30 April 2021 £'000
Within one year	1,420	1,790
Between one year and five years	2,781	2,874
After five years	–	–

All operating leases relate to office premises occupied by subsidiary entities. The lease expense in the period ended 31 December 2021 was £1,226,201 (30 April 2021: £2,645,952).

26. Reconciliation of deferred consideration liabilities

	Cash £'000	Shares £'000	Total £'000
As at 1 May 2021	**460**	**271**	**731**
Paid out in the period in cash and shares:			
IFM Group Limited contractual covenant payment	(70)	–	(70)
Deferred to be paid out in cash:			
Abacus Corporate Services Limited	58	–	58
As at 31 December 2021	**448**	**271**	**719**

27. Discontinued operations

On 3 December 2021 the Group disposed of Praxis Fund Holdings Limited and its operating entities excluding Funds Cayman and PraxisIFM Luxembourg SA, all representing the Fund Services division of the Group.

The combined net assets of Praxis Fund Holdings Limited and its operating entities and PraxisIFM Luxembourg SA at the point of disposal are shown below.

	£'000
Net assets disposed of:	
Goodwill	169
Intangible fixed assets	34
Investments	200
Tangible fixed assets	11
Debtors	2,031
Cash	3,974
Creditors	(1,280)
Finance leases	–
Bank loans	–
Total net assets disposed of	**5,140**

The following details relate to the gain on disposal of the discontinued operations:

	£'000
Consideration for disposal (including minority share amount)	54,000
Excess working capital (Note 30)	1,993
Consideration relating to minority interests of PraxisIFM Luxembourg SA	(787)
Cash expenses representing sale of division	(2,088)
Net assets disposed	(5,140)
Gain on disposal of discontinued operations	**47,978**

The net inflow of cash in respect of the disposal of Praxis Fund Holdings Limited and PraxisIFM Luxembourg SA is as follows:

	£'000
Cash consideration on completion	48,500
Contingent cash consideration	5,500
Total consideration	**54,000**
Cash payment received	48,500
Minority interest paid out	(787)
Cash proceeds	47,713
Cash transferred on disposal	(3,974)
Net inflow of cash	**43,739**

Notes to the Consolidated Financial Statements
continued

28. 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. During the period to 31 December 2021 no options relating to the BAYE (30 April 2021: 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 Group 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 period to 31 December 2021, no stock options were granted (30 April 2021: Nil), and 905,029 were exercised (30 April 2021: 768,460). The valuation applied to the options was the market price on the grant date.

	31 December 2021 Weighted Average Exercise Price £	31 December 2021 Number of shares '000	30 April 2021 Weighted Average Exercise Price £	30 April 2021 Number of shares '000
Balance at start of period/year	**1.13**	**7,357**	**1.04**	**15,319**
Expired during the period/year	1.20	(5,652)	1.03	(7,194)
Exercised during the period/year	0.59	(905)	0.56	(768)
Granted during the period/year	–	–	–	–
Balance at end of period/year	**1.24**	**800**	**1.13**	**7,357**

The exercise price of vested options outstanding at the end of the period ranged between £0.48 and £1.96 (April 30 2021: £0.48 and £1.96).

Of the total numbers of options outstanding at the end of the period, 275,000 (30 April 2021: 3,346,636) had vested and were exercisable at the end of the period.

The weighted average share price (at the date of exercise) of options exercised during the period was £0.59 (April 30 2021: £0.56) at the date options were exercised.

No options were granted in the current period.

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

	31 December 2021 £'000	30 April 2021 £'000
BAYE scheme	–	36
Equity-settled schemes	–	–
		36

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:

	31 December 2021 £'000	30 April 2021 £'000
Brought forward	(661)	(821)
Expense relating to options issued in the period	–	–
Options exercised/lapsed in the period	21	153
Expired in the period	440	7
Carried forward	**(200)**	**(661)**

29. 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.

	31 December 2021 £'000	30 April 2021 £'000
Key management personnel compensation	1,309	1,747
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.

	31 December 2021 £'000	30 April 2021 £'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.

Notes to the Consolidated Financial Statements
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30. Post year end events

RBSI Loan Facility
Following the period end the Group has fully repaid Facility A, Facility C and EBT 2 (see note 20 for details on bank loans).

Receipt of Excess Working Capital
Following the completion of the Funds sale on 03 December 2021, calculations were finalised in the period from January to March 2022 and excess working capital in the amount of £2.0m was received.

Return of Capital
On 25 March 2022 the Group completed the return of £40m of capital to its shareholders by way of a repurchase of 26,666,666 shares. The repurchased shares were immediately cancelled and the issued share capital of the Group following cancellation of repurchased shares was 85,941,024 shares.

War in Ukraine
The war in Ukraine and the economic sanctions that have been imposed by governments worldwide has been assessed by management as a non-adjusting post balance sheet event, as conditions did not exist at the end of the reporting period.

The Group has responded to the sanctions imposed and requests issued by regulators to continuously check and monitor whether it maintains any accounts or otherwise has any kind of relationship with the persons referred to in sanctions notices. Daily screening checks are being performed by the Group's risk and compliance team against sanctions imposed. The Group has ensured that its cyber security procedures and training are reinforced.

Management have assessed the impact of sanctions during the post year end period prior to the approval of the financial statements. Based on this assessment, at the point of approving these financials statements there is no material impact on our clients or our operations. There is no material impact upon income, expenditure or the carrying value of assets or liabilities.

Contingent Consideration
As at the date of signing of the accounts, management remains of the view that the conditions will be met and that the receipt of the amount remains virtually certain and that the amount should be treated as an asset.

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")

Iain Torrens (Chairman) – appointed 1 September 2021

Stephanie Coxon (Non-Executive Director)

Diane Seymour-Williams (Non-Executive Director)

Peter Gillson (Non-Executive Director)

Robert Fearis (Chief Executive Officer)

Martyn Crespel (Executive Director)

Richard Morris (Executive Director)
- appointed 1 February 2022

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

Company Secretary
Shona Darling

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

Registered Number
30367

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

Market Maker
Ravenscroft (CI) Limited, PO Box 222, 20 New Street,
St. Peter Port, Guernsey, GY1 4JG

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

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

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 period	The 8-month period ended 31 December 2021
The prior year	The 12-month period ended 30 April 2021
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
Net debt	Net debt is cash at bank less overdraft balance, obligations under finance leases and bank loans
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CORO	Chief Operations and Risk Officer
ESG	Environmental, social and governance
BAYE	Buy as you earn
NED	Non-executive director
TISE	The International Stock Exchange