Registration number: 129405

TEAM plc

Unaudited Interim Report and condensed consolidated financial statements

for the six months ended 31 March 2021

TEAM plc

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Interim Results update (continued)

20 May 2021

Interim Results

Highlights

- TEAM plc was created to be a leading private client investment and asset management business
- January 2020, completed first acquisition, Theta Enhanced Asset Management Ltd with AUM of £140 million. Since then AUM has grown to £286 million (as at 31 March 2021)
- March 2021, completed successful listing on AIM raising gross proceeds of £7.5 million and attracted the support of leading institutional fund managers
- For the six months to 31 March 2021:
    - Revenue was £0.6 million
    - Loss before tax was £0.9 million
    - Loss per share was 17 pence, the adjusted loss per share was 7 pence
- Strengthened investment management team with new senior hires, and corporate governance with three non-executive directors
- Invested in client engagement, systems and controls
- Pursuing mix of organic and acquisition led growth

Commenting on the results Mark Clubb, Executive Chairman of TEAM, said:

"We are at the start of developing a new business and I am pleased to say we have made a good start. Just over a year ago we identified an opportunity to become a leading private client investment and asset management business. In January 2020, we acquired Theta with AUM of £140 million, we have grown that business under the TEAM brand to £286 million of AUM, listed on AIM raising £7.5 million, with the support of several well-known investors, and established a scalable platform which retains in-house investment management expertise whilst utilising market leading third parties to provide administrative support. We have a pipeline of opportunities to support our expansion and we are looking forward to an active period ahead."

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Executive Chairman's Statement

I am pleased to be making this, my first report as Executive Chairman of TEAM, since our listing in March 2021. We have completed a very successful period for the business, and we are now embarking on a period of expansion which we expect to be driven by a mix of organic and acquisition-led growth.

TEAM was incorporated to take advantage of the positive demographic and business trends we see in the international wealth and asset management markets. We are embarking on the greatest inter-generational transfer of wealth, following years of asset price inflation, especially in real estate, which has concentrated wealth amongst the older generations. This is creating opportunities for nimble and differentiated organisations, such as TEAM, as the beneficiaries of this reallocation of wealth typically look for a service differentiated from the one that their precedents used. This has driven TEAM's move to a market-leading digital interface with clients and intermediaries, and an investment philosophy that reflects global trends, better matching our clients' outlook. A Jersey base is a further advantage with Jersey being a highly regarded international financial centre in a tax-neutral environment with strong connectivity, stable regulatory authorities and a large and growing finance marketplace for investment services.

In addition to organic growth opportunities, both in Jersey and in other international finance centres, we see significant prospects through the acquisition of overlapping and complementary businesses. The market for investment related financial services is a highly fragmented one, reflecting the relatively low barriers to entry that enabled entrepreneurial individuals and teams to start their own businesses after developing their skills and clients in larger institutions. We now see many smaller, high quality businesses where the founders are looking to realise their life's work and find a suitable partner to provide an excellent service to their long-standing clients. There is a plethora of well-funded private equity backed businesses in competition for these businesses, especially onshore in the UK, but they don't always appeal to vendors. TEAM is ideally placed to partner with such firms, as we are well capitalised, have a client-service culture and infrastructure that stands up to the vendor's scrutiny, and the directors are highly experienced in making such a business model work. We have a pipeline of acquisitions at a range of stages, and while transactions are never certain to complete, we expect to be able to announce earnings enhancing transactions over the coming six months.

The successful listing on AIM has provided us with new capital and access to significant further equity capital, if required, to support our ambitions. We are looking at a range of opportunities and targeting those markets where we see the most scope for profitable growth. We expect to have an active period ahead of us and we are looking forward to it.

Mr J M Clubb
Executive Chair
20 May 2021

TEAM plc

Operational and Financial Review

The first six months of the year saw significant progress in the development of the TEAM business, with the successful listing of its shares on the London AIM market, on 8 March 2021. To achieve this, the business invested in putting in place a robust set of corporate and risk governance measures, which are proving to be effective, suitable and fit for purpose. The results for this 6-month period reflect the listing costs of £1.1 million, of which £0.9 million is recognised in this period. The Group recorded a loss before tax of £0.9 million and is not recommending a dividend for the period. The business is well capitalised, with over £6 million of available cash following the IPO.

- **TEAM Jersey**

The six-month period from September 2020 to March 2021 saw a period of consolidation and internal investment in the operating business, following the rapid expansion since it was acquired in January 2020. Client AUM reduced very slightly from £291 million to £286 million. The funds division accounted for the majority of this change with AUM down from £89m to £85m, while performance in the main Keox ESG fund continued to be excellent - first quartile over 1,3 & 5 years.

New business opportunities continue to be seen with new clients adding 1.5% to AUM in the period, despite the challenges of lockdown in Jersey due to the necessary responses to the COVID pandemic. The focus of the business was therefore on current clients and enhancing our service to them, new business prospects are expected to re-engage following the loosening of restrictions.

We are now live with our new custody and administration partner, Pershing, and have, since the period end, completed the client migration exercise. This will allow for a far improved experience and digital interface for clients. There will be a short-term cost to the business as platformed assets reach scale, while the improved risk management and trading capabilities are already enhancing client outcomes.

- **M&A**

In March we made an approach to the board of Tavistock plc, a listed UK wealth manager, regarding a possible offer for the company. A combination of the Tavistock and TEAM businesses could have given a scale start point for a UK division, with potential synergies from the TEAM Jersey business and plc head office functions. Following a lack of engagement by the Tavistock board, we announced that TEAM was no longer proceeding with a potential offer on April 20th.

- **Looking forward**

In the second half of the financial year our focus will move to re-enforcing client service and investment performance standards, new client development, and the launch of our International Equity Fund. This in addition to building a pipeline of individual and team hires and acquisition opportunities to accelerate asset growth in the Jersey market and beyond.

We have a growing pipeline of business combination opportunities in our home Jersey private client market, with complementary businesses based within the Channel Islands, and with like-minded businesses in other international finance centres. There remains much to do to capitalise on these opportunities, while we have made a positive start to the development of TEAM plc.

Mr M C Moore
CFO and COO

TEAM plc

Consolidated Statement of Comprehensive Income

Unaudited for the 6 months ended 31 March 2021

	Note	6 months ended 31 March 2021 (unaudited) £'000	6 months ended 31 March 2020 (unaudited) £'000
Revenue	*2*	610	181
Cost of sales		(41)	(23)
Operating expenses		(1,036)	(199)
Listing costs	*3*	(468)	-
Interest payable and similar expenses		2	(1)
Loss on ordinary activities before taxation		**(933)**	**(42)**
Taxation		12	(8)
Loss for the period and total comprehensive income		**(921)**	**(50)**
Loss per share (basic and diluted)	*5*	£(0.17)	£(1.12)

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Consolidated Statement of Financial Position

Unaudited as at 31 March 2021

	Note	As at 31 March 2021 (unaudited) £'000	As at 30 September 2020 (audited) £'000
Non-current assets			
Intangible assets		936	989
Property, plant & equipment		522	44
Deferred tax		56	43
Long term deposit		55	50
		1,569	**1,126**
Current assets			
Trade, other receivables and prepayments		366	307
Cash and cash equivalents		6,404	253
		6,770	**560**
Payables: amounts falling due within one year		(206)	(316)
Net current assets		**6,564**	**244**
Total assets less current liabilities		**8,133**	**1,370**
Payables: amounts falling due after one year		(463)	-
Net assets		**7,670**	**1,370**
Equity			
Share capital	*4*	9,053	9
Share premium reserves		-	1,823
Retained earnings brought forward		(462)	-
Retained earnings		(921)	(462)
Total equity		**7,670**	**1,370**

The condensed consolidated interim financial statements were approved and authorised for issue by the board of the directors on the 20th day of May 2021 and were signed on its behalf by:

.....	.....
Mr J M Clubb	Mr M C Moore
Director	Director

TEAM plc

Consolidated Statement of Changes in Equity

Unaudited for the six months ending 31 March 2021

	Share capital £'000	Share premium £'000	Stated capital £'000	Retained earnings £'000	Total equity £'000
At 1 October 2019	-	-	-	-	-
New share capital	9	1,626	-	-	1,635
Loss for the period	-	-	-	(50)	(50)
At 31 March 2020	**9**	**1,626**	**-**	**(50)**	**1,585**

	Share capital £'000	Share premium £'000	Stated capital £'000	Retained earnings £'000	Total equity £'000
At 1 October 2020	9	1,823	-	(462)	1,370
New share capital	-	163	-	-	163
Cost of shares issued through IPO	-	(443)	-	-	(443)
Conversion of shares	(9)	(1,543)	1,552	-	-
Share premium received from IPO	-	-	7,501	-	7,501
Loss for the period	-	-	-	(921)	(921)
At 31 March 2021	**-**	**-**	**9,053**	**(1,383)**	**7,670**

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Consolidated Statement of Cash Flow

Unaudited for 6 months ended 31 March 2021

The only changes in liabilities other than from financing cash flows are in respect of leases.

	Note	6 months ended 31 March 2021 (unaudited) £'000	6 months ended 31 March 2020 (unaudited) £'000
Cash flows from operating activities			
Loss for the period before tax		(933)	(42)
Adjustments to cash flows from non-cash items:			
Depreciation and amortisation		85	27
Finance costs		(2)	1
(Increase) in trade and other receivables		(63)	(184)
(Decrease)/ increase in trade and other payables		(115)	44
Net cash outflow from operating activities		**(1,028)**	**(154)**
Cash flows from investing activities			
Acquisition of subsidiary net of cash acquired		-	(772)
Acquisition of property, plant and equipment		(8)	(1)
Net cash outflow from investing activities		**(8)**	**(773)**
Cash flows from financing activities			
Lease liability paid		(34)	(28)
IPO costs capitalised	*3*	(443)	-
Issue of share capital at par	*4*	-	9
Issue of share capital at no par	*4*	7,501	-
Share premium on issue of shares	*4*	163	1,228
Net cash flow from financing activities		**7,187**	**1,209**
Net increase in cash and cash equivalents		**6,151**	**282**
Cash and cash equivalents from acquired subsidiaries at the beginning of the period		253	-
Cash and cash equivalents at end of period		**6,404**	**282**

IPO costs

On 8 March 2020 the Group was successfully admitted to the Alternative Investment Market ("AIM"). The Initial Public Offering ("IPO") costs were £1.05m of which £443,000 has been allocated to the Share Premium reserve, with the balance of £608,000 expensed in both this reporting period (£468,000) and in the reporting period ended 30 September 2020 (£140,000).

Notes to the Consolidated Financial Statements for the six months ended 31 March 2021

1. Accounting policies

Basis of preparation and accounting policies
The accounting policies and estimates adopted are consistent with those of the previous financial period as disclosed in the 2020 Period Report and Audited Consolidated Financial Statements

The financial information in this interim report has been prepared in accordance with the disclosure requirements of the AIM Rules for Companies and the recognition and measurements of International Financial Reporting Standards ("IFRS"), as adopted by the European Union ("EU"). They have been prepared on a going concern basis with reference to the accounting policies and methods of computation and presentation set out in the Group's Consolidated financial statements for the year ended 30 September 2020.

The Interim Condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's audited financial statements for the year ended 30 September 2020, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), the interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and the requirements of Companies (Jersey) Law 1991.

The information relating to the six months ended 31 March 2021 is unaudited and does not constitute statutory financial statements. The Group's Consolidated financial statements for the year ended 30 September 2020 have been reported on by the Group's auditor. The report of the auditor was unqualified and did not draw attention to any matters by way of emphasis.

Consolidated financial statements
The consolidated financial statements incorporate the financial statements of the Company and subsidiary entities controlled by the Company made up to 31 March 2021. Control is achieved where the Company is exposed, or has rights, to variable returns from its involvement with an investee company and has the ability to affect those returns through its power over the other entity; power generally arises from holding a majority of voting rights.

New standards and interpretations not yet adopted
There are no newly issued standards expected to potentially have a material impact on the condensed consolidated interim financial statements and the consolidated financial statements to the Group.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements will be consistent with those to be followed in the preparation of the Group's annual financial statements for the year ending 30 September 2021.

1. Accounting policies (continued)

Going concern

After making enquiries, the Directors have formed a judgement, at the time of approving the financial information, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason the Directors continue to adopt the going concern basis in preparing the financial information.

The COVID-19 coronavirus pandemic was firstly discovered and defined in March 2020 and while significant scientific developments have been achieved in controlling its economic and social implications in the form of vaccinations, COVID-19 coronavirus pandemic continues to have a financial impact on the global economy. The Company continues to closely communicate with customers during the ongoing global crisis. The Directors have considered the impact of COVID-19 on the Group and are of the view that it remains a going concern after revising forecasts for 2021 and reviewing the impact of COVID-19 on the working capital of the Group.

Critical accounting estimates and judgements

The Group makes certain estimates and assumptions in the preparation of financial statements. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable that best reflects the conditions and circumstances that exist at the reporting date.

The principal estimates and judgements that could have an effect upon the Group‘s financial results are the useful economic lives of property, plant and equipment, the impairment of trade receivables and intangible assets and the provision for income and deferred taxes. Further details of these estimates and judgements are set out in the related accounting policies for these items.

2. Segment reporting

Operating segments are identified based on internal reports that are regularly reviewed by the Board to allocate resources and to assess performance.

The Group continues to identify a single reportable segment and within this single reportable segment, total revenue from continuing operations is as follows:

	6 months ending 31 March 2021 (unaudited) £'000	6 months ending 31 March 2020 (unaudited) £'000
Fees	541	121
Commissions	69	60
	610	**181**

3. Exceptional items

	6 months ending 31 March 2021 (unaudited)	6 months ending 31 March 2020 (unaudited)
	£'000	£'000
Costs relating to the admission of the shares	468	-

On 8 March 2020 the Group was successfully admitted to AIM. The IPO costs were £1.05m of which £443,000 has been allocated to the Share Premium reserve, with the balance of £608,000 expensed in both period ended 30 September 2020 (£140,000) and this period (£468,000).

4. Share capital and share premium

On 13 January 2021, the company's shareholders passed a special resolution, whereby the below decisions were passed:

- That all of the 10,000 unissued Class B Shares to be cancelled
- That each of the Class A Shares in the company is converted into a no par value share
- That each of the issued and unissued Class A Shares in the Company is subdivided into 82 shares in the Company
- That the company be authorised to issue up to 15,580,000 Class A Shares of no par value in addition to the 8,036,000 Class A Shares in issue.

5. Loss per share

The weighted-average number of outstanding ordinary shares for the period is as follows:

	Number of shares outstanding	Time weighting	Weighted average number of shares
1 October 2020 - Balance brought forward	93,000	6/6	93,000
19 October 2020 - Shares issued	3,600	5/6	3,000
6 January 2021 - Shares issued	900	3/6	450
6 January 2021 - Bonus issue of 82 for 1	7,897,500	3/6	3,948,750
6 January 2021 - Shares issued	41,000	3/6	20,500
8 March 2021 - Initial Public Offering	8,523,334	1/6	1,420,556
Weighted average for the period		**6 months**	**5,486,256**

5. Loss per share (continued)

	6 months ending 31 March 2021 (unaudited)	6 months ending 31 March 2020 (unaudited)
Loss for the financial period	£920,862	£49,694
Weighted average number of shares	5,486,256	44,433
(Loss) per share (£)	**(0.17)**	**(1.12)**

To provide the investors with a view on a more relevant loss per share for the period, we have also calculated the adjusted loss per share:

	6 months ending 31 March 2021 (unaudited)	6 months ending 31 March 2020 (unaudited)
Loss for the financial period and total comprehensive loss	£(920,862)	£(49,694)
Adjusting for non-cash and one-off items:		
Depreciation	£31,885	£10,533
Amortisation	£52,954	£17,651
Interest paid	£(2,061)	£786
Listing costs	£468,000	-
Adjusted loss for the financial period and total comprehensive loss	£(370,084)	£(20,724)
Weighted average number of shares	5,486,256	44,433
Adjusted (loss) per share (£)	**(0.07)**	**(0.47)**

6. Events after the statement of financial position date

No events occurred after the statement of financial position date which are required to be disclosed.

7. Dividends

No interim dividend has been paid or proposed in respect of the current financial period (2020: nil).

Company number
129405

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