

Registration number: 129405

TEAM plc

**Unaudited Interim Report and condensed consolidated financial statements
for the six months ended 31 March 2022**

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Interim Results

For the six months to 31 March 2022

TEAM plc

(‘the Company’ or ‘the Group’)

Delivering on Strategy and on Track to be Cash Positive

Highlights

- TEAM plc was created to be a new wealth, asset management and complementary financial services group
- In March 2021, TEAM completed a successful listing on AIM raising gross proceeds of £7.5 million and attracted the support of leading institutional fund managers and has since:
 - In July 2021 completed the second acquisition, a treasury services business in Jersey, JCAP
 - In December 2021 exchanged contracts on a further acquisition, a financial advice business in Jersey, Omega Financial Services, for a headline consideration of £4 million
 - In May 2022, exchanged contracts for the acquisition of a second financial advice and investment consulting business, Concentric Group, for a headline consideration of £2.5 million, and raised gross proceeds of £2.65 million from existing and new shareholders
- Client AUM in the asset management business was £231 million (H1 2022) versus £281 million (FY 2021), primarily as one client with £41 million of assets transferred to their historic adviser. Cash under advice was £1.4 billion (H1 2022)
- Strengthened investment management team with key senior hires, together with further client-facing staff joining post the period end
- Paid the maximum deferred consideration payment, of £737,500, for the acquisition of JCAP, as it surpassed its profit target for the year to December 2021
- Good visibility on further significant organic and acquisition led growth opportunities, within Jersey and other locations
- Staff numbers grown to 20, an increase from 10 at March 2021

Financial Highlights

- Revenue was up 63% to £1.0 million (H1 2021 £0.6 million)
- Loss for the year down 26% to £0.7 million (H1 2021 £0.9 million)
- Core EBITDA flat at loss of £0.4 million (H1 2021 £0.4 million)

- Loss per share was down 53% to 8 pence (H1 2021 17 pence)
- Adjusted loss per share down 43% to 4 pence (H1 2021 7 pence)
- Cash balance at £3.0 million, with no deferred payments outstanding (H1 2021 £6.4 million)

Current trading and outlook

- Trading in line with management expectations
- Awaiting consent from the Jersey regulator to complete on the acquisitions of Omega and Concentric
- Benefiting from an uptick in new client opportunities, though partially offset by the challenging asset markets
- On track to be cash positive once both outstanding acquisitions have gained regulatory approval and are completed

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

“TEAM plc is delivering on its growth strategy. We have had a very active start as a public company, investing in and building a talented, multi-skilled team as well as putting in place the infrastructure to support them, together with the distribution capabilities to enable first class execution. To date, we have made four exciting acquisitions which have helped lay the foundations for the future.

We therefore have the building blocks in place to provide an integrated wealth and investment business. Our attention now turns to effectively integrating the acquired businesses into TEAM plc, and delivering the improved services to clients that will generate incremental revenues and profits for shareholders.

We have good momentum and are building our presence in our home market of Jersey, and starting to be recognised as a leading player in the Jersey wealth management market, as demonstrated by our ability to attract high quality staff and to win new clients.

With the completion of the two latest acquired businesses, we expect to be cash positive as a group, and cover the costs of the listing and associated governance. We are quietly optimistic for the future.”

Enquiries

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Chairman's Statement

Progress

These are the second set of interim results for TEAM plc as a public company following our listing in March 2021. At that time we set out our ambition to become a leading wealth and asset management business. I am therefore delighted to confirm that we have seen even more opportunity to develop and grow, and have made significant progress towards this goal.

In December 2021 we exchanged contracts for the acquisition of a Jersey based financial advisory business, Omega, which has been supplemented by the exchange of contracts to acquire a second Jersey based IFA and investment consultancy business, called Concentric Group. These two businesses, together with the organic growth achieved, and the further development of our pipeline of potential transactions demonstrate that we have delivered on our early plans and clearly signal the future potential of the Group.

We have also continued to invest in the development of TEAM Jersey, our asset management business, and the integration into the group of the treasury services business we acquired last year, JCAP. Our new proposition has found favour with the large majority of the acquired client base, though we have seen some move on where the alignment was less clear. The return of volatility to global asset markets has dampened investment returns, though as a long-term focused manager this is part of the expected cycle.

Our financial results for the period demonstrate a significant improvement in our revenues, and, while this has required investment, we expect it to pay off in the future. Our revenues rose from £610k in the previous period to £999k, while our operating loss closed at £700k (£935k). The underlying loss, excluding the costs associated with the acquisitions, increased to £646k from £467k. Group total net assets fell to £6.9 million, down from £7.7 million, and cash balances at the year-end were £3.0 million (2021: £6.4 million) with no deferred payments outstanding. Financially, we are well positioned to continue with our growth plans.

We received good support from existing and new shareholders for our most recent round of fund raising in May to acquire the Concentric Group and add to working capital. We look forward to integrating this business into the Group and we are grateful for the continued and new support from our shareholders.

We entered the second half in a good position, with the expectation of maintaining our positive momentum and building upon progress to date. Once we have completed the two acquisitions agreed by gaining regulatory approval, we expect the business will become cash positive. I look forward to providing further updates as we continue to progress.

Mr J M Clubb
Executive Chair
21 June 2022

Operational and Financial Review

Overview

The first six months of the financial year include a full contribution from the acquired JCAP business for the first time, which was the main driver of the increase in revenues from £0.6 million to £1.0 million. The EBITDA (adjusted for IPO and acquisition costs) was flat at a loss of £382k. This is our preferred measure of profitability, as it shows the core performance of the group, and is not skewed by the impact of amortisation of intangible assets.

The adjusted loss per share reduced to 4p from 7p, and at this early stage in the Company's development we are not recommending paying a dividend for the period. We have over £3 million of cash on the balance sheet, and no outstanding deferred consideration payment to make.

TEAM Jersey

October 2021 to March 2022 saw further investment in the investment management business, a revision to client fees, and further steps towards building the investment track record of the multi asset portfolios, which delivered outperformance of mid to high single digit across all four strategies (Diversified Income, Multi Asset Cautious, Balanced & Growth) versus MPI peer group (55 direct competitors). This places TEAM ahead of MPI peer group across all key time periods (rolling 1Y, 3Y, 5Y) in each strategy. The business did however see a large, lower yielding client, transfer to historic managers who had left TEAM Jersey, and this was the main driver in the total AUM falling from £285 million to £231 million. There were positive signs, with the level of new client wins on an upwards trajectory. TEAM Jersey is starting to gain traction with the key trustee intermediaries within Jersey.

The Keox funds continued to perform well within their asset class, but were overall down from £91 million to £82 million. This decline was directly attributable to bond market declines as the interest rate environment changed to combat inflation. This was further compounded by a widening in credit spread in both Investment Grade and High Yield sectors.

We will shortly be shutting the KEOX GBP fund and transferring the assets to our new GBP Diversified Income fund (Liechtenstein UCITS). I'm confident that we can get the fund up to £20 million in fairly short order.

The TEAM International Equity Fund (Dublin UCITS) performed better than most of the peers, being up 3.4% versus MSCI All World Index for the period of plus 7.4%. The volatility and uncertainty of equities markets has presented marketing challenges in terms of new subscribers. However, I believe this may be short lived.

Treasury Services

JCAP made a material contribution to the financial performance of the group, and exceeded its profit target for the year to December 2021. The deferred consideration due on the acquisition was paid in full. The upwards move in interest rates is leading to greater client interest for the cash advisory services, and while still early days, extending the client base into the Jersey trust market is looking promising.

M&A

We exchanged contracts to acquire 100% of the shares of Omega Financial Services (Jersey) Limited in December 2021, which we covered in our annual report last year. We have bolstered our financial advice capabilities in Jersey by the acquisition of a second business, the Concentric Group, which we

signed in May 2022. Both Omega and Concentric await approval by the Jersey regulator for the change in the shareholder.

I am pleased to report that the above transactions have been well received and heightened the market's awareness of TEAM Plc. The result is that opportunities both recruitment and corporate are presenting themselves more than ever. I believe there will be further consolidation both locally (e.g., RBC acquiring Brewin), internationally within the ex-pat centres and other IFC jurisdictions. For recruitment we are now an appealing "home" for all ranges of professionals and importantly, their clients.

Looking Forward

H2 2022 will be another period of progression for the business. In the near term we are looking forward to completing the acquisition of both Omega and Concentric and then fully integrating the two businesses into the Group. This will be relatively quick as much of the groundwork has been done and the respective teams are already working closely together and jointly planning future projects around potential opportunities.

There is a real TEAM plc ethos and personality developing, driven by the people already in the business and those who are about to join. Being a new wealth, asset management and complementary financial services group, this is modern business, and the ethos is entrepreneurial. We are not held back by any traditional approach - instead our team is youthful and energetic and excited by the potential of being a part of fast growing, flexible company with an ambition to become a much larger business.

With Jersey as our base, we believe we are ideally placed to capture a growing number of upcoming younger investors in Jersey where there is over-concentration of private wealth. We also intend to grow our international client base including the ex-pat communities across Europe and further afield, an attractive market by demographics and wealth and one which we believe is currently significantly under-served in terms of accessing professional financial advice.

Mr M C Moore
CFO and COO
21 June 2022

Unaudited Consolidated Statement of Comprehensive Income

		6 months ended 31 Mar 2022 £'000	6 months ended 31 Mar 2021 £'000
	Note		
Revenues	2	999	610
Cost of sales		(230)	(41)
Operating expenses		(1,469)	(1,504)
Operating loss		(700)	(935)
<i>Operating loss before exceptional items</i>		<i>(646)</i>	<i>(467)</i>
<i>Exceptional items</i>	3	<i>(54)</i>	<i>(468)</i>
Operating loss after exceptional item		(700)	(935)
Other income and charges		(10)	2
Loss on ordinary activities before tax		(710)	(933)
Taxation		29	12
Loss for the year/ period and total comprehensive loss		(681)	(921)
Loss per share (basic and diluted)		(0.08)	(0.17)

Unaudited Consolidated Statement of Financial Position

	Note	6 months ended 31 Mar 2022 £'000	6 months ended 31 Mar 2021 £'000
Non-current assets			
Intangible assets		3,516	936
Property, plant & equipment		501	522
Deferred tax		118	56
Long term deposit		55	55
		4,190	1,569
Current assets			
Trade, other receivables and prepayments		545	366
Cash and cash equivalents		3,013	6,404
		3,558	6,770
Trade and other payables: amounts falling due within one year		(360)	(206)
Net current assets		3,198	6,564
Total assets less current liabilities		7,388	8,133
Trade and other payables: amounts falling due after one year		(446)	(463)
Net assets		6,942	7,670
Equity			
Stated Capital	4	9,791	9,053
Retained loss		(2,849)	(1,383)
Total Equity		6,942	7,670

The condensed consolidated interim financial statements were approved and authorised for issue by the board of the directors on the 21 June 2022 and were signed on its behalf by:

Mr J M Clubb

Executive Chair

Mr M C Moore

CFO and COO

Unaudited Consolidated Statement of Changes in Equity

	Share capital £'000	Share premium £'000	Stated capital £'000	Retained loss £'000	Total £'000
At 1 October 2021	-	-	9,606	(2,168)	7,438
New share capital	-	-	185	-	185
Loss for the year	-	-	-	(681)	(681)
At 31 March 2022	-	-	9,791	(2,849)	6,942

	Share capital £'000	Share premium £'000	Stated capital £'000	Retained loss £'000	Total £'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

Unaudited Consolidated Statement of Cash Flows

		6 months ended 31-Mar-22 £'000	6 months ended 31-Mar-21 £'000
	Note		
Cash flows from operating activities			
Loss for the year before tax		(710)	(933)
Adjustments to cash flows from non-cash items:			
Depreciation and amortisation		264	85
Finance costs		10	(2)
Trade and other receivables		(18)	(63)
Trade and other payables (deferred payments)		(1,410)	(115)
Net cash outflow from operating activities		(1,864)	(1,028)
Cash flows from investing activities			
Acquisition of property, plant and equipment		(9)	(8)
Net cash outflow from investing activities		(9)	(8)
Cash flows from financing activities			
Lease liability paid		(35)	(34)
IPO costs capitalised		-	(443)
Issue of share capital at no par		-	7,501
Share premium on issue of shares		-	163
Net cash flow from financing activities		(35)	7,187
Net increase in cash and cash equivalents		(1,908)	6,151
Cash and cash equivalents from at beginning of year/ period		4,921	253
Cash and cash equivalents from acquired subsidiaries		-	-
Cash and cash equivalents at end of year/ period		3,013	6,404

Notes to the Consolidated Financial Statements

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 2021 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 2021.

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 2021, 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 2022 is unaudited and does not constitute statutory financial statements. The Group’s Consolidated financial statements for the year ended 30 September 2021 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 2022. 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 a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early.

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 2022.

Notes to the Consolidated Financial Statements

Going concern

After making enquiries, the Directors have formed a judgement, at the time of approving the financial statements, 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 statements.

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 the period to September 2023 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. Operating Segments

IFRS 8 operating segments are to be identified on the basis of internal reports about components of Group that are regularly reviewed by management to allocate resources to the segments and to assess their performance. The Group continues to identify a single reportable segment, this is likely to change with the completion of the two most recent transaction. Within this single reportable segment, total revenue for the year from continuing operations is as follows;

	6 months 31 Mar 2022 (unaudited) £'000	6 months 31 Mar 2021 (unaudited) £'000
Revenue		
Fees	491	541
Commissions	260	69
Cash and risk management	208	-
Other revenue	40	-
	999	610

Notes to the Consolidated Financial Statements

3. Exceptional items

	6 months 31 Mar 2022 (unaudited) £'000	6 months 31 Mar 2021 (unaudited) £'000
IPO and acquisition related costs	54	468
	54	468

Acquisition costs in the period relate to legal advice for the acquisition of Omega, and financial advice for other transactions that did not compete.

4. Stated capital

	31 Mar 2022 (unaudited) No.	31 Mar 2021 (unaudited) No.
Allotted, called and fully paid shares		
Ordinary shares	17,559,478	16,559,334

	31 Mar 2022 (unaudited) £'000	31 Mar 2021 (unaudited) £'000
Allotted, called and fully paid share capital		
Opening balance	-	9
Ordinary share capital of £0.10 each	-	-
Transferred	-	(9)
	-	-

	31 Mar 2022 (unaudited) £'000	31 Mar 2021 (unaudited) £'000
Share Premium		
Opening balance	-	1,823
Premium in year	-	163
Cost of shares issued through IPO	-	(443)
Transferred	-	(1,543)
	-	-

Notes to the Consolidated Financial Statements

4. Stated capital (continued)

	31 Mar 2022 (unaudited) £'000	31 Mar 2021 (unaudited) £'000
Stated capital		
Opening balance	9,606	-
Transferred	-	1,552
Share premium received from IPO	-	7,501
New Capital subscribed	185	-
	9,791	9,053

The increase in Stated capital reflects the equity component of the deferred consideration paid to the JCAP shareholders.

5. Earnings per share

The Group has calculated the weighted-average number of outstanding ordinary shares for the period as follows:

	Number of shares	Time weighting	Weighted average number of shares
Weighted Average Number of Shares 2022			
Balance brought forward	17,299,795	6/12	8,649,898
28 February - 31 March 2022	259,683	1/12	21,640
	17,559,478	6 months	8,671,538

	Number of shares	Time weighting	Weighted average number of shares
Weighted Average Number of Shares 2021			
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	7,897,500	3/6	3,948,750
6 January 2021 - Shares issued	41,000	3/6	20,550
8 March 2021 - IPO	8,523,334	1/6	1,420,556
	16,559,334	6 months	5,486,256

Notes to the Consolidated Financial Statements

5. Earnings per share (continued)

Loss per share

	31 Mar 2022	31 Mar 2021
Loss per share		
Loss for the financial period and total comprehensive loss (£'000)	(681)	(921)
Weighted average number of shares	8,671,538	5,486,256
Pence per share	(0.08)	(0.17)

The Parent Company does not have any contingent issuable shares as at year end, hence diluted loss per share is the same as the basic loss per share

Adjusted Loss per share

	6 months 31 Mar 2022 (unaudited) £'000	6 months 31 Mar 2021 (unaudited) £'000
Loss after tax	(681)	(921)
Interest	10	(2)
Tax	(29)	(12)
Depreciation	35	32
Amortisation of intangible assets	229	53
EBITDA	(436)	(850)
IPO related expenses	-	443
Acquisition related expenses	54	25
Adjusted EBITDA	(382)	(382)

	31 Mar 2022 (unaudited)	31 Mar 2021 (unaudited)
Adjusted loss per share		
Adjusted EBITDA (£'000)	(382)	(382)
Weighted average number of shares	8,671,538	5,486,256
Pence per share	(0.04)	(0.07)

Notes to the Consolidated Financial Statements

6. Dividends

No interim dividend has been paid or proposed in respect of the current financial period (2021: nil).

7. Events after the statement of financial position date

On 12 May 2022, TEAM exchanged contracts with the shareholders of Concentric Group Limited to acquire 100% of the issued and to be issued share capital of the business for up to £2.5 million. Completion is conditional on the approval of the change in controller by the local regulator, the Jersey Financial Services Commission. Approval for the change in controller for Omega Financial Services Limited is also awaited.

On the same date it completed a share subscription with existing and new shareholders, at a price of 60 pence per share (a 5.5% discount to the closing mid-market price), for 4,416,667 share, which raised gross proceeds of £2.65 million, which net of costs were £2.53 million. This is to be used to fund the cash consideration for Concentric, and support working capital for the TEAM plc group.

Company number

129405

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