

The background of the entire page is a vertical marbled pattern. The left side is predominantly dark blue and black, while the right side features a mix of dark blue, black, and warm orange-brown tones. The marbling has a fluid, organic, and somewhat abstract appearance, resembling liquid or stone patterns.

Interim Report

Shore Capital Group Limited
Interim results for the six months
ended 30 June 2021

SHORE CAPITAL



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Shore Capital, the independent investment group specialising in capital markets, asset management and principal finance, presents its interim results for the period ended 30 June 2021.

Financial highlights

	Six months ended 30 Jun 21	Six months ended 30 Jun 20	Change
Revenue	£38.0m	£27.5m	+38%
Profit before tax	£9.7m	£3.1m	+214%
Earnings per share	30.3p	10.0p	+203%
Interim dividend	7.5p	5.0p	+50%

Chairman's Statement

The Group has recorded a very successful six months in which revenues grew by over 38% to £38 million, delivering pre-tax profits of nearly £10 million and earnings per share in excess of 30p.

We have continued to see the value of our diversified business model to deliver strong returns during the period. Our Corporate Broking and Advisory team has benefitted from an increase in both fundraising and M&A activity, whilst our Market Making division continued to benefit from high volumes for much of the period, maintaining the momentum achieved in the second half of last year.

Our Asset Management business has enjoyed increased inflows and upward portfolio valuations, growing AUM by over 20% year-on-year to £1.6 billion. We have seen particularly strong demand for our Venture Capital Trusts and AIM Service as retail investor sentiment has returned.

The Group's balance sheet and liquidity remain strong, with liquid resources of over £30 million in place at the period end in addition to our undrawn £20 million working capital facility.

On the back of these improved results, I am pleased to report that the Group is proposing an interim dividend of 7.5p per share for the period, a 50% increase on the previous year.

Capital Markets

The Capital Markets business recorded a strong performance in the period, growing revenues by 33% to £26.4 million, with pre-tax profits nearly doubling to £7.8 million.

Fundraising activity has increased across capital markets. We have been active within the market acting on 17 placings and one IPO, raising new capital for our clients and realising value for existing management. In addition, our Corporate Broking and Advisory team has worked on a broad range of advisory transactions including takeovers, acquisitions and transfers of listing venues. During the period we added 6 new clients, taking the business to 112 corporate retained clients at the end of the period.

Our Market Making business continued to perform very well, maintaining the momentum achieved in the second half of last year. The team has been adept at managing risk appropriately throughout, remaining nimble whilst delivering liquidity in the face of often unpredictable trading conditions.

Our Research team sustained its output of high-quality equity research through this period on both independent and house stocks, well supported by our Equity Sales team. We continue to build our analytical capabilities with additional hires agreed in the consumer, financial, industrial and real estate arenas. Alongside our sector research, we have also added dedicated ESG specialists to our team, further enhancing our provision of valuable market insights and support to our corporate clients.

Chairman's Statement (contd.)

Asset Management

The Asset Management division delivered a similarly strong performance, growing AUM to £1.6 billion, increasing revenues by 34% to £10.6 million and more than doubling pre-tax profits to £1.5 million.

Fundraising in Puma Investments, our UK fund management business, returned strongly in the months leading up to the end of the tax year, with demand for our Venture Capital Trusts and Puma AIM Service being particularly high. At the same time, the business has continued to avoid any material increase in demands for redemptions, ongoing testament to the appeal of our offerings.

Deal flow in our Puma Property Finance business has remained encouraging, with over £100m of loans completed to date this year. Although the environment shows increasing signs of price competition as lenders who stepped back during 2020 return to the market, our lending pipeline for the remainder of the year is healthy. We continue to maintain a conservative underwriting approach and are optimistic about prospects to build further market share, as well as increasing our available funding lines, over the coming years.

Our Private Equity business has faced similar competitive pressures during the period, but we have added to our portfolio of investments, as well as funding further growth rounds to existing portfolio companies. We also recorded a significant exit of our investment in

Pure Cremation during the period, returning a strong money multiple to investors. The business has two Venture Capital Trusts currently open for subscriptions as well as the Puma Alpha EIS Service, and being sector agnostic we are able to target those areas of the economy that look to emerge strongly from COVID-19 without the burden of a sizeable legacy portfolio.

The Puma AIM Service has recorded accelerated inflows during the year and delivered a very positive return of +18.1% for the six months, significantly outperforming both the AIM Index and the FTSE All Share Index. The Service continues to record a lifetime outperformance of its benchmark AIM Index by over 40% (since inception in June 2014), and a compound annual growth rate, again since inception, of 10.4% p.a.

The institutional investment companies that we advise, Brandenburg Realty and Puma Brandenburg, recorded significant increases in value in the period as targeted asset management initiatives continued to deliver performance. Ongoing sales by Brandenburg Realty of condo assets in Germany allowed the fund to make an additional return of capital to investors subsequent to the period end, bringing total funds returned to investors to date to 34% of invested capital.

Principal Finance

Our investments in Brandenburg Realty and Nippon Active Value Fund plc continue to perform well, recording upward valuations of £1 million in aggregate in the period.

We continue to hold our 3.700-3.730 GHz frequency band German regional radio spectrum licences. The licences are for perpetual duration, on a “flexibilised” basis, meaning without historic technical restrictions limiting their usage. The flexibilisation will enable their use as part of the rollout of 5G services, demand for which has accelerated as a result of the COVID-19 disruption.

Current Trading and Prospects

In the Capital Markets business, the level of activity and pipeline in our Corporate Broking and Advisory business remains strong. Whilst Market Making volumes have reduced from the high levels experienced during the second half of last year and the earlier part of this year, we anticipate that the trend of the participation by retail investors though electronic connectivity in the capital markets will continue to grow. We expect to continue to benefit from this trend as our electronic trading platform connects with all leading UK retail investment platforms as well as a wide variety of other intermediaries.

In the Asset Management division, we continue to see strong fundraising in Puma Investments, our UK fund management business. In respect of our German institutional mandates, condo sale activity and valuations continue to perform very strongly which we expect to continue to benefit the assets we manage in Germany.

We remain confident in our belief that we will continue to benefit from being both a strong but also flexible participant in the markets in which we have built strong franchises. We also remain open and willing to contemplate M&A opportunities as they may arise.

Finally, I would again like to thank all our employees for their hard work and commitment in support of the business.

Howard Shore
Chairman

14 September 2021

Financial Review

Income and expenditure

Revenue for the period increased by 38.2% to £38.0 million (2020: £27.5 million), whilst administrative expenses increased by 18.8% to £28.1 million (2020: £23.7 million).

Operating profit before reorganisation costs increased by 157.8% to £9.9 million (2020: £3.8 million). Statutory profit before tax increased by 213.7% to £9.7 million (2020: £3.1 million).

Divisional performance was as follows:

- Capital Markets: revenue increased by 33.3% to £26.4 million (2020: £19.8 million). Profit before tax was £7.7 million (2020: £3.9 million) with a net margin of 29.3% (2020: 19.9%).
- Asset Management: revenue increased by 34.0% to £10.6 million (2020: £7.9 million). Profit before tax was £1.5 million (2020: £0.7 million) with a net margin of 14.4% (2020: 8.9%).
- Principal Finance: pre-tax profit of £1.1 million (2020: £0.8 million loss).

Earnings per Share

The Group generated earnings per share of 30.3p (2020: 10.0p).

Liquidity

As at the balance sheet date, available liquidity was £32.4 million (2020: £25.6 million), comprising cash of £29.6 million (2020: £23.2 million) and £2.8 million (2020: £2.4 million) of gilts and bonds. In addition, the Group had a £20 million working capital facility which was unused at the period end and prior period ends.

Balance sheet

The Group's balance sheet remains strong, with total equity at the period end of £75.8 million (£66.1 million).

In addition to the £29.6 million of cash and £2.8 million of gilts and bonds referred to above, at the period end the Group held £7.1 million (2020: £7.0 million) in various of its Puma Funds; £6.8 million (2020: £4.0 million) net in quoted equities and a further £2.1 million (2020: £1.9 million) in other unquoted holdings. The licences held as part of the Group's Spectrum Investments were carried at a cost of £2.1 million (2020: £2.3 million) on a gross basis, before allowing for minority interests. Other non-current assets included £3.8 million (2020: £4.0 million) of fixed assets, and £2.8 million (2020: £2.8 million) of investment properties.

The remainder of the balance sheet was £18.7 million net (2020: £18.5 million), which included £20.7 million (2020: £17.6 million) of net market and other debtors in the Group's stockbroking subsidiary.

Net Asset Value per Share

Net asset value per share at the period end was 302.8p (2020: 266.0p).

Dividend

The Board proposes to pay an interim dividend of 7.5p per share (2020: 5.0p per share). The interim dividend is expected to be paid on Wednesday 13 October 2021 to shareholders on the register as at Friday 24 September 2021. Shares will be marked ex-dividend on Thursday 23 September 2021.

Independent review report to Shore Capital Group Limited (the “Group”)

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2021 which comprises the unaudited consolidated income statement, the unaudited consolidated statement of comprehensive income, the unaudited consolidated statement of financial position, the unaudited consolidated statement of changes in equity and the unaudited consolidated cash flow statement.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors’ responsibilities

The half-yearly financial report is the responsibility of and has been approved by the directors. The directors are responsible for preparing the half-yearly financial report in a form consistent with that which will be adopted in the Company’s annual accounts having regard to the accounting standards applicable to such annual accounts.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2021 is not prepared, in all material respects, in a form consistent with that which will be adopted in the Company’s annual accounts having regard to the accounting standards applicable to such annual accounts.

Use of our report

Our report has been prepared in accordance with the terms of our engagement to assist the Company and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

BDO LLP

Chartered Accountants
London, UK

Date: 14 September 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Unaudited Condensed Consolidated Income Statement

For the six months ended 30 June 2021

	Notes	Six months ended 30 Jun 21 £'000	Six months ended 30 Jun 20 £'000	Year ended 31 Dec 20 £'000
Revenue	3	38,035	27,514	62,556
Administrative expenditure		(28,132)	(23,673)	(49,810)
Operating profit before reorganisation costs		9,903	3,841	12,746
Reorganisation costs	4	-	(521)	(791)
Operating profit		9,903	3,320	11,955
Interest income		1	15	17
Finance costs		(243)	(255)	(522)
Profit before taxation	3	9,661	3,080	11,450
Taxation		(1,428)	(267)	(1,966)
Profit for the period/ year		8,233	2,813	9,484
Attributable to:				
Equity holders of the parent		6,544	2,153	7,225
Non-controlling interests		1,689	660	2,259
		8,233	2,813	9,484
Earnings per share				
Basic	5	30.3p	10.0p	33.5p
Diluted	5	30.1p	9.9p	33.3p

Unaudited Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2021

	Six months ended 30 Jun 21 £'000	Six months ended 30 Jun 20 £'000	Year ended 31 Dec 20 £'000
Profit after tax for the period/ year	8,233	2,813	9,484
Items that may be reclassified to the income statement			
Gains on cash flow hedges	-	74	74
Tax thereon	-	(14)	(14)
	-	60	60
Exchange difference on translation of foreign operations	(162)	82	197
Other comprehensive (loss)/ income for the period/ year, net of tax	(162)	142	257
Total comprehensive income for the period/ year, net of tax	8,071	2,955	9,741
Attributable to:			
Equity holders of the parent	6,425	2,258	7,459
Non-controlling interests	1,646	697	2,282
	8,071	2,955	9,741

Unaudited Condensed Consolidated Statement of Financial Position

As at 30 June 2021

	Notes	As at 30 Jun 21 £'000	As at 30 Jun 20 £'000	As at 31 Dec 20 £'000
Non-current assets				
Intangible assets		2,146	2,288	2,237
Property, plant & equipment		3,790	4,014	4,050
Right of use assets		7,728	8,865	8,296
Investment properties		2,799	2,799	2,799
Principal Finance investments		11,017	10,562	10,297
Deferred tax asset		1,886	1,453	1,869
		29,366	29,981	29,548
Current assets				
Trading assets		9,716	7,362	7,866
Trade and other receivables		120,552	120,286	99,772
Derivative financial instruments		-	-	152
Cash and cash equivalents		29,602	23,238	29,276
		159,870	150,886	137,066
Total assets	3	189,236	180,867	166,614
Current liabilities				
Trading liabilities		(1,948)	(2,395)	(1,069)
Trade and other payables		(101,801)	(101,830)	(84,314)
Derivative financial instruments		(21)	(224)	-
Tax liabilities		(1,089)	(104)	(690)
Lease liabilities		(1,314)	(1,274)	(1,444)
		(106,173)	(105,827)	(87,517)
Non-current liabilities				
Lease liabilities		(7,255)	(8,928)	(7,772)
Provision for liabilities and charges		(46)	(29)	(33)
		(7,301)	(8,957)	(7,805)
Total liabilities	3	(113,474)	(114,784)	(95,322)
Net assets		75,762	66,083	71,292
Capital and reserves				
Share capital		-	-	-
Share premium		1,866	1,866	1,866
Merger reserve		14,903	14,903	14,903
Other reserves		1,572	1,520	1,572
Retained earnings		46,986	39,086	43,198
Equity attributable to equity holders of the parent		65,327	57,375	61,539
Non-controlling interests		10,435	8,708	9,753
Total equity		75,762	66,083	71,292

Unaudited Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2021

	Share capital	Share Premium	Merger reserve	Other reserves	Retained earnings	Non- controlling interests	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2020	-	1,866	14,903	1,460	37,277	9,861	65,367
Profit for the period	-	-	-	-	2,153	660	2,813
Foreign currency translation	-	-	-	-	45	37	82
Valuation change on cash flow hedge	-	-	-	74	-	-	74
Tax on cash flow hedge	-	-	-	(14)	-	-	(14)
Total comprehensive income	-	-	-	60	2,198	697	2,955
Dividends paid to/rebalancing of non-controlling interests	-	-	-	-	(389)	(556)	(945)
Capital distribution from subsidiary to non-controlling interests	-	-	-	-	-	(1,300)	(1,300)
Investment by non-controlling interest in subsidiaries	-	-	-	-	-	6	6
At 30 June 2020	-	1,866	14,903	1,520	39,086	8,708	66,083

	Share capital	Share Premium	Merger reserve	Other reserves	Retained earnings	Non- controlling interests	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 30 June 2020	-	1,866	14,903	1,520	39,086	8,708	66,083
Profit for the period	-	-	-	-	5,072	1,599	6,671
Foreign currency translation	-	-	-	-	129	(14)	115
Total comprehensive income	-	-	-	-	5,201	1,585	6,786
Equity dividends paid	-	-	-	-	(1,079)	-	(1,079)
Dividends paid to/rebalancing of non-controlling interests	-	-	-	-	(10)	(533)	(543)
Capital distribution from subsidiary to non-controlling interests	-	-	-	-	-	(1)	(1)
Credit in relation to share based payments	-	-	-	52	-	-	52
Investment by non-controlling interest in subsidiaries	-	-	-	-	-	(6)	(6)
At 31 December 2020	-	1,866	14,903	1,572	43,198	9,753	71,292

Unaudited Condensed Consolidated Statement of Changes in Equity (contd.)

For the six months ended 30 June 2021

	Share capital	Share Premium	Merger reserve	Other reserves	Retained earnings	Non- controlling interests	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2021	-	1,866	14,903	1,572	43,198	9,753	71,292
Profit for the period	-	-	-	-	6,544	1,689	8,233
Foreign currency translation	-	-	-	-	(119)	(43)	(162)
Total comprehensive income	-	-	-	-	6,425	1,646	8,071
Equity dividends paid	-	-	-	-	(2,157)	-	(2,157)
Dividends paid to/rebalancing of non-controlling interests	-	-	-	-	(480)	(868)	(1,348)
Capital distribution from subsidiary to non-controlling interests	-	-	-	-	-	(96)	(96)
At 30 June 2021	-	1,866	14,903	1,572	46,986	10,435	75,762

Unaudited Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2021

	Six months ended 30 Jun 21 £'000	Six months ended 30 Jun 20 £'000	Year ended 31 Dec 20 £'000
Cash flows from operating activities			
Profit for the period/ year	8,233	2,813	9,484
Adjustments for:			
Depreciation and impairment charges	995	1,125	1,989
Share-based payment debit	-	-	52
Fair value gains on Principal Finance investments	(729)	(277)	(375)
Interest income	(1)	(15)	(17)
Finance costs	243	255	522
Increase in provision for national insurance on options	13	-	4
Tax expense	1,428	267	1,966
Operating cash flows before movement in working capital	10,182	4,168	13,625
Increase in trade and other receivables	(20,628)	(71,932)	(51,570)
Increase in trade and other payables	17,577	63,146	45,337
Increase/ (decrease) in trading liabilities	879	(167)	(1,493)
(Increase)/ decrease in trading assets	(1,850)	603	99
Cash generated/ (utilised) by operations	6,160	(4,182)	5,998
Interest paid	(21)	(14)	(36)
Corporation tax paid	(1,115)	(113)	(1,573)
Net cash generated/ (utilised) by operating activities	5,024	(4,309)	4,389
Cash flows from investing activities			
Purchases of property, plant & equipment	(178)	(146)	(662)
Sale of property, plant & equipment	-	4,551	4,741
Purchase of Principal Finance investments	-	(3,000)	(3,000)
Distribution of Principal Finance investments	9	1,552	1,915
Interest received	1	15	17
Net cash (utilised)/ generated by investing activities	(168)	2,972	3,011
Cash flows from financing activities			
Capital distribution to non-controlling interests	(96)	(1,300)	(1,301)
Investment in non-controlling interest in subsidiaries	-	6	-
Principal paid on lease liabilities	(647)	(327)	(1,313)
Interest paid on lease liabilities	(222)	(241)	(486)
Dividends paid to equity shareholders	(2,157)	-	(1,079)
Dividends paid to non-controlling interests	(1,348)	(945)	(1,488)
Net cash utilised by financing activities	(4,470)	(2,807)	(5,667)
Net increase/ (decrease) in cash and cash equivalents during the period/ year	386	(4,144)	1,733
Effects of exchange rate changes	(60)	(111)	50
Cash and cash equivalents at beginning of period/ year	29,276	27,493	27,493
Cash and cash equivalents at end of period/ year	29,602	23,238	29,276

Notes to the Condensed Interim Financial Report

For the six months ended 30 June 2021 (unaudited)

1. Financial information

Basis of preparation

The annual financial statements of Shore Capital Group Limited, the ‘company’ and its subsidiaries (the “Group”) for the year ended 31 December 2020, and the condensed set of financial statements included in this interim financial report for the period ended 30 June 2021, are prepared in accordance with international accounting standards (in conformity with the requirements of the Companies (Guernsey) Law, 2008) other than for the full disclosure requirements of those standards.

The Annual Report and Accounts of the Group for the year ended 31 December 2020 were issued on 19 March 2021. The auditor’s report on those accounts was not qualified and did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report. The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenue and expenses for the period. However, the nature of estimation means that actual outcomes could differ from those estimates. In preparing the condensed financial statements, the judgement and estimates made by the Directors are consistent with those reported in the December 2020 annual report.

Going concern

The Group’s business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman’s statement, together with the financial position of the Group, its liquidity position and borrowing facilities. In addition, the principal risks and uncertainties of the Group are discussed in note 2 to this interim financial report.

The directors consider that the Group has the financial resources to continue in operation throughout such a period. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Significant accounting policies

The same accounting policies, presentation and methods of computation are followed in these condensed set of financial statements as are applied in the Group’s latest audited Annual Report and Accounts for the year ended 31 December 2020. There are a number of standards and interpretations which have been issued by the International Accounting Standards Board that are effective for periods beginning subsequent to 31 December 2021. The Group does not believe these standards and interpretations will have a material impact on the financial statements once adopted.

2. Principal risks and uncertainties

The Group’s policies for managing the risks arising from its activities are set out in the last audited Annual Report and Accounts of the Group that were issued on 19 March 2021. The Group’s activities comprise equity market activities, fund management and investment in alternative assets and property, and its income is therefore subject to the level of general activity, sentiment and market conditions in each of the markets in which it operates.

3. Segmental information

Additional analysis of revenue and results is presented in the Chairman’s Statement.

For management purposes, the Group is organised into business units based on their services, and has four reportable operating segments as follows:

- Capital Markets provides research in selected sectors, broking for institutional and professional clients, market making in small and mid cap stocks, fixed income broking and corporate broking and advisory for large, mid and small cap companies.
- Asset Management provides advisory services, and manages specialist funds.
- Central Costs comprises the costs of the Group’s central management team and structure.
- Principal Finance comprises investments and other holdings acquired, together with principal finance activities conducted, using the Group’s own balance sheet resources.

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segmental performance is evaluated based on operating profit or loss. Transfer prices between operating segments are on an arms-length basis in a manner similar to transactions with third parties.

Six months ended 30 Jun 21	Capital Markets £'000	Asset Management £'000	Central costs £'000	Principal Finance £'000	Total £'000
Revenue	26,404	10,573	-	1,058	38,035
Profit/(loss) before tax	7,742	1,521	(700)	1,098	9,661
Assets	145,169	12,884	1,241	29,942	189,236
Liabilities	(105,433)	(5,918)	(936)	(1,187)	(113,474)

Six months ended 30 Jun 20	Capital Markets £'000	Asset Management £'000	Central costs £'000	Principal Finance £'000	Total £'000
Revenue	19,804	7,893	-	(183)	27,514
Profit/(loss) before tax excluding reorganisation costs	4,455	700	(733)	(821)	3,601
Reorganisation costs	(521)	-	-	-	(521)
Profit/(loss) before tax	3,934	700	(733)	(821)	3,080
Assets	142,312	12,817	1,406	24,332	180,867
Liabilities	(108,485)	(4,959)	(497)	(843)	(114,784)

Year ended 31 December 20	Capital Markets £'000	Asset Management £'000	Central costs £'000	Principal Finance £'000	Total £'000
Revenue	44,136	18,196	-	224	62,556
Profit/(loss) before tax excluding reorganisation costs	11,534	2,557	(1,136)	(714)	12,241
Reorganisation costs	(791)	-	-	-	(791)
Profit/(loss) before tax	10,743	2,557	(1,136)	(714)	11,450
Assets	122,860	12,857	1,370	29,527	166,614
Liabilities	(86,634)	(6,198)	(1,092)	(1,398)	(95,322)

Notes to the Condensed Interim Financial Report (contd.)

For the six months ended 30 June 2021 (unaudited)

4. Reorganisation costs

During the period, the Group has incurred costs outside of its normal operating expenses.

	Six months ended 30 Jun 21 £'000	Six months ended 30 Jun 20 £'000	Year ended 31 Dec 20 £'000
Post-acquisition restructuring costs	-	521	791
	-	521	791

Post-acquisition restructuring costs relate to redundancy and early contract termination and retention costs following the Stockdale acquisition.

5. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following:

	Six months ended 30 Jun 21	Six months ended 30 Jun 20	Year ended 31 Dec 20
Earnings (£)	6,544,000	2,153,000	7,225,000
Number of shares			
Basic			
Weighted average number of shares	21,573,322	21,573,322	21,573,322
Diluted			
Dilutive effect of share option scheme	151,059	138,133	143,026
	21,724,381	21,711,455	21,716,348
Earnings per share			
Basic	30.3p	10.0p	33.5p
Diluted	30.1p	9.9p	33.3p
Earnings (£)			
	6,544,000	2,153,000	7,225,000
Reorganisation costs attributable to equity shareholders (£)	-	337,000	521,000
Adjusted earnings (£)	6,544,000	2,490,000	7,746,000
Adjusted earnings per share			
Basic	30.3p	11.5p	35.9p
Diluted	30.1p	11.5p	35.7p

Notes to the Condensed Interim Financial Report (contd.)

For the six months ended 30 June 2021 (unaudited)

6. Dividends paid

	Six months ended 30 Jun 21 £'000	Six months ended 30 Jun 20 £'000	Year ended 31 Dec 20 £'000
Amounts recognised as distributions to equity holders in the period/ year:			
Interim dividend for the year ended 31 December 2020 of 5.0p per share	-	-	1,079
Final dividend for the year ended 31 December 2020 of 10.0p per share	2,157	-	-
	2,157	-	1,079

The directors propose an interim dividend for the year ending 31 December 2021 of 7.5p per share.

Further copies of this report are available on the Company's website at www.shorecap.gg.

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Andrew Whittaker
Simon Fine
David Kaye
Dr Zvi Marom*
James Rosenwald III *

*Non-executive

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Andrew Whittaker

Independent Auditor

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