RATHBONES GROUP PLC

A STRONG FIRST HALF FOCUSED ON DELIVERY

RATHBONES GROUP PLC ("RATHBONES" OR THE "GROUP") ANNOUNCES RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

PERFORMANCE HEADLINES:

– Funds under management and administration (FUMA): £108.9 billion, +3.4%
– Significant improvement in net flows in Q2
– Underlying profit before tax: £112.1 million, +120.7%
– Underlying operating margin: 25.1%
– Statutory profit before tax: £65.3 million, +151.2%
– Interim dividend of 30p, +3.4%
– Accelerated delivery of IW&I integration synergies
– Successful first stage implementation of InvestCloud Client Lifecycle Management (CLM) technology platform
– Migration of Saunderson House assets substantially complete

PAUL STOCKTON, GROUP CHIEF EXECUTIVE OFFICER OF RATHBONES, SAID:

"Rathbones has continued to focus on consolidating its position as the leading UK discretionary wealth manager, with total FUMA growing to £108.9 billion at 30 June 2024 (Q1 2024: £107.6 billion, FY 2023: £105.3 billion).

In the first six months of 2024, Rathbones has surpassed both the strategic and financial objectives we set out upon the announcement of the Investec Wealth & Investment (IW&I) combination. We have achieved synergy realisation ahead of target, with run-rate synergies of £20 million delivered to the end of June 2024, well ahead of our year one post-combination objective of £15 million. These synergies have delivered a benefit to underlying operating profit for the six-month period of £8 million and we remain confident in the guidance set out at the time of the combination.

Our office consolidation programme is progressing at pace with six office integrations completed so far, including our London head office move to Gresham Street earlier this month. The remaining two co-located offices will complete during the remainder of 2024. Work to develop our combined service proposition is also advancing well, with several propositions now aligned across the group.

In June, we launched successfully the InvestCloud CLM system into the business in line with the budgeted investment we guided previously. This represents a key milestone for our digital programme and gives us a strong platform from which to build enhanced functionality and improve the client experience.

The migration of Saunderson House assets has been substantially completed, with the advice process to migrate assets to Rathbones investment propositions completed or in progress, with only a small residue of £0.2 billion yet to engage in the migration process.

Our underlying operating margin was 25.1% for the six months to 30 June 2024 (30 June 2023: 21.3%), in line with our target and showing significant progress towards our target of a 30%+ margin. We end the period in a strong position, with confidence in the prospects for our enlarged business and a clear focus on maintaining the momentum of delivery during the second half of the year."

FINANCIAL HIGHLIGHTS:

– Total FUMA grew to £108.9 billion at 30 June 2024 (Q1 2024: £107.6 billion, FY 2023: £105.3 billion).
    — £93.6 billion in the Wealth Management segment (£99.1 billion prior to the elimination of Wealth Management FUMA invested in the Asset Management segment of £5.5 billion).
    — £15.3 billion in the Asset Management segment.
– Statutory profit before tax increased by 151.2% to £65.3 million (30 June 2023: £26.0 million), after expensing amortisation of client relationship intangible assets of £22.0 million (30 June 2023: £9.5 million) and integration related costs of £24.8 million (30 June 2023: £15.3 million) in the period. Underlying profit before tax totalled £112.1 million at 30 June 2024 (30 June 2023: £50.8 million), reflecting the inclusion of IW&I for the current six-month period, with an underlying operating margin of 25.1% (30 June 2023: 21.3%).

– Total operating income for the group increased by 88.0% to £447.4 million (30 June 2023: £238.0 million). Legacy Rathbones operating income grew by 11.6% to £265.7 million on a like-for-like basis, driven by recurring investment management and asset management fees on higher average FUMA, in addition to increased net interest income of £32.7 million (30 June 2023: £23.0 million).
– Total underlying operating expenses for the period were £335.3 million (30 June 2023: £187.2 million) and include the impact of the integration, and £7.1 million planned investment in our digital programme (30 June 2023: £6.0 million) with the remainder of the £15 million guided for the year to be incurred in the second half of the year, completing the £45 million spend of the programme implementation.
– Net FUMA flows improved significantly in the second quarter. While factors which have resulted in elevated outflows remain relevant, a significant reduction in gross outflows combined with continued strength in gross inflows saw net outflows reduce from £0.6 billion in the first quarter to flat in the second quarter.
  — Total gross inflows increased by 3.3% in the second quarter to £3.1 billion (Q1 2024: £3.0 billion) while total gross outflows reduced by 8.6% to £3.2 billion (Q1 2024: £3.5 billion) in the same period. Although remaining elevated, reflecting the impact that the prolonged higher interest rate environment has on debt servicing costs and the relative attraction of cash as an asset class, this result offers a greater degree of optimism of returning to more normalised outflow levels.
  — Net flows in RIM discretionary & managed propositions remained positive in the second quarter at £0.1 billion, resulting in £0.5 billion of net inflows for the first half of the year (30 June 2023: £0.2 billion), representing an annualised growth rate of 1.9% (30 June 2023: 0.7%).
  — Net flows in IW&I also improved significantly, returning to positive territory in the second quarter, with net inflows of £0.2 billion (Q1 2024: net outflows of £0.6 billion), reflecting both a significant reduction in gross outflows related to investment managers who left the business prior to the announcement of the combination and improved gross inflows as client confidence in investment markets improves.
– Our single strategy funds remained resilient, with limited outflows of £0.1 billion in the second quarter (Q1 2024: £0.2 billion), against a challenging industry backdrop (30 June 2023: £0.3 billion).

DECLARATION OF INTERIM DIVIDEND:
– In line with our progressive dividend policy, we have increased our interim dividend by 3.4% to 30p (30 June 2023: 29p), reflecting the strength of our business and balance sheet. The record date will be 6 September 2024 and the dividend will be paid on 1 October 2024.

FUNDS UNDER MANAGEMENT AND ADMINISTRATION

(I) SEGMENT FUMA

6 months ended 30 June 2024	Wealth Management (£m)	Asset Management (£m)	Intra-group holdings (£m)	Group FUMA (£m)
Opening FUMA	**96,118**	**13,770**	**(4,548)**	**105,340**
Gross Inflows	4,727	2,533	(1,168)	6,092
Gross Outflows	(5,209)	(2,002)	531	(6,680)
Net Flows	**(482)**	**531**	**(637)**	**(588)**
Transfers	(84)	84	—	—
Market & Investment Performance	3,518	922	(285)	4,155
Closing FUMA	**99,070**	**15,307**	**(5,470)**	**108,907**

(II) BREAKDOWN OF FUMA AND FLOWS BY SERVICE LEVEL

6 months ended 30 June 2024	Opening FUMA (£m)	Gross Inflows (£m)	Gross Outflows (£m)	Net Flows (£m)	Transfers[1] (£m)	SHL Migrated Assets (£m)	Market & Investment Performance (£m)	Closing FUMA (£m)	Ann Net Growth[2] (%)
Rathbones Investment Management	48,759	2,371	(2,060)	311	(2)	625	1,670	51,363	1.3
Bespoke portfolios	45,004	2,096	(1,894)	202	(304)	272	1,553	46,727	0.9
Managed via in-house funds	3,755	275	(166)	109	302	353	117	4,636	5.8
Multi-asset funds[3]	2,545	601	(423)	178	84	—	185	2,992	14.0
Rathbones discretionary & managed	**51,304**	**2,972**	**(2,483)**	**489**	**82**	**625**	**1,855**	**54,355**	**1.9**
Non-discretionary service	752	12	(24)	(12)	(39)	—	6	707	(3.2)
Investec W&I	42,267	2,128	(2,528)	(400)	(204)	—	1,614	43,277	(1.9)
Saunderson House[4]	1,590	58	(238)	(180)	—	(626)	36	820	(22.6)
Total wealth management	**95,913**	**5,170**	**(5,273)**	**(103)**	**(161)**	**(1)**	**3,511**	**99,159**	**(0.2)**
Single-strategy funds	6,677	764	(1,048)	(284)	—	—	452	6,845	(8.5)
Execution only	2,750	158	(359)	(201)	161	1	192	2,903	(14.6)

Total group	**105,340**	**6,092**	**(6,680)**	**(588)**	**—**	**—**	**4,155**	**108,907**	**(1.1)**

Q2 ended 30 June 2024	Opening FUMA (£m)	Gross Inflows (£m)	Gross Outflows (£m)	Net Flows (£m)	Transfers[1] (£m)	SHL Migrated Assets (£m)	Market & Investment Performance (£m)	Closing FUMA (£m)	Ann Net Growth[2] (%)
Rathbones Investment Management	50,423	1,095	(1,026)	69	(23)	187	707	51,363	0.5
Bespoke portfolios	46,099	969	(934)	35	(170)	99	664	46,727	0.3
Managed via in-house funds	4,324	126	(92)	34	147	88	43	4,636	3.1
Multi-asset funds[3]	2,926	278	(212)	66	—	—	—	2,992	9.0
Rathbones discretionary & managed	**53,349**	**1,373**	**(1,238)**	**135**	**(23)**	**187**	**707**	**54,355**	**1.0**
Non-discretionary service	729	6	(10)	(4)	(31)	—	13	707	(2.2)
Investec W&I	42,671	1,272	(1,094)	178	(21)	—	449	43,277	1.7
Saunderson House[4]	1,119	41	(181)	(140)	—	(187)	28	820	(50.0)
Total wealth management	**97,868**	**2,692**	**(2,523)**	**169**	**(75)**	**—**	**1,197**	**99,159**	**0.7**
Single-strategy funds	6,904	371	(476)	(105)	—	—	46	6,845	(6.1)
Execution only	2,822	72	(166)	(94)	75	—	100	2,903	(13.3)
Total group	**107,594**	**3,135**	**(3,165)**	**(30)**	**—**	**—**	**1,343**	**108,907**	**(0.1)**

(III) BREAKDOWN OF INVESTMENT MANAGEMENT FUMA AND FLOWS BY CHANNEL

6 months ended 30 June 2024	Opening FUMA (£m)	Gross Inflows (£m)	Gross Outflows (£m)	Net Flows (£m)	Transfers[1] (£m)	SHL Migrated Assets (£m)	Market & Investment Performance (£m)	Closing FUMA (£m)	Ann Net Growth[2] (%)
Total direct	34,411	1,479	(1,512)	(33)	(152)	—	1,224	35,450	(0.2)
Total financial adviser linked	14,348	892	(548)	344	150	625	446	15,913	4.8
Total discretionary service	**48,759**	**2,371**	**(2,060)**	**311**	**(2)**	**625**	**1,670**	**51,363**	**1.3**
Execution only	2,750	158	(359)	(201)	161	1	192	2,903	(14.6)
Non-discretionary service	752	12	(24)	(12)	(39)	—	6	707	(3.2)
Total Investment Management	**52,261**	**2,541**	**(2,443)**	**98**	**120**	**626**	**1,868**	**54,973**	**0.4**
Investec W&I	42,267	2,128	(2,528)	(400)	(204)	—	1,614	43,277	(1.9)
Total Investment Management for enlarged group	**94,528**	**4,669**	**(4,971)**	**(302)**	**(84)**	**626**	**3,482**	**98,250**	**(0.6)**

Q2 ended 30 June 2024	Opening FUMA (£m)	Gross Inflows (£m)	Gross Outflows (£m)	Net Flows (£m)	Transfers[1] (£m)	SHL Migrated Assets (£m)	Market & Investment Performance (£m)	Closing FUMA (£m)	Ann Net Growth[2] (%)
Total direct	35,127	671	(750)	(79)	(104)	—	506	35,450	(0.9)
Total financial adviser linked	15,296	424	(276)	148	81	187	201	15,913	3.9
Total discretionary service	**50,423**	**1,095**	**(1,026)**	**69**	**(23)**	**187**	**707**	**51,363**	**0.5**
Execution only	2,822	72	(166)	(94)	75	—	100	2,903	(13.3)
Non-discretionary service	729	6	(10)	(4)	(31)	—	13	707	(2.2)
Total Investment Management	**53,974**	**1,173**	**(1,202)**	**(29)**	**21**	**187**	**820**	**54,973**	**(0.2)**
Investec W&I	42,671	1,272	(1,094)	178	(21)	—	449	43,277	1.7
Total Investment Management for enlarged group	**96,645**	**2,445**	**(2,296)**	**149**	**—**	**187**	**1,269**	**98,250**	**0.6**

(IV) TOTAL GROUP FUMA

6 months ended 30 June 2024	Opening FUMA (£m)	Gross Inflows (£m)	Gross Outflows (£m)	Net Flows (£m)	Transfers[3] (£m)	SHL Migrated Assets (£m)	Market & Investment Performance (£m)	Closing FUMA (£m)	Ann Net Growth[4] (%)
Rathbones Investment Management	52,261	2,541	(2,443)	98	120	626	1,868	54,973	0.4
Rathbones Asset Management	13,770	2,533	(2,002)	531	84	—	922	15,307	7.7
Investec W&I	42,267	2,128	(2,528)	(400)	(204)	—	1,614	43,277	(1.9)
Saunderson House[4]	1,590	58	(238)	(180)	—	(626)	36	820	(22.6)
Total	**109,888**	**7,260**	**(7,211)**	**49**	**—**	**—**	**4,440**	**114,377**	**0.1**
Group eliminations[5]	(4,548)	(1,168)	531	(637)	—	—	(285)	(5,470)	28.0
Total	**105,340**	**6,092**	**(6,680)**	**(588)**	**—**	**—**	**4,155**	**108,907**	**(1.1)**

1. Transfers represent client FUMA which has transferred from one service to another and other intra-group movements. These are excluded from net inflows.
2. Annualised net growth in flows calculated as net flows/opening FUMA.
3. Net inflows into multi-asset funds include direct flows and flows into managed solutions via in-house funds.
4. Total funds under advice by Saunderson House, including those clients transferred to fellow group companies totalled £4.3 billion at 30 June 2024.
5. Group eliminations represent RAM funds which are held within portfolios managed by RIM (£5.2 billion) and IW&I (£0.2 billion) teams and Saunderson House (£0.1 billion) teams. Consequently, after excluding the RAM funds, the FUMA of each entity is £49.8 billion in RIM, £43.1 billion within IW&I and £0.7 billion within Saunderson House.

INTERIM RESULTS PRESENTATION:
A presentation detailing Rathbones' 2024 interim results is available on the investor relations website under the tab 'Results Presentations' (https://www.rathbones.com/investor-relations/results-and-presentations).

A presentation to analysts and investors will take place this morning at 10:00am at Peel Hunt's offices at 100 Liverpool Street, EC2M 2AT. Participants who wish to join the presentation virtually can do so by either joining the video webcast (https://www.investis-live.com/rathbone-brothers/666186c9806e6315001ab2b5/ioiy) or by dialling in using the conference call details below:

United Kingdom (Local): +44 20 3936 2999

United Kingdom (Toll-Free): +44 800 358 1035

Participant access code: 822572

A Q&A session will follow the presentation. Participants will be able to ask their questions either via the webcast by typing them in or via the conference call line.

A recording of the presentation will be available later today on our website at: www.rathbones.com/investor-relations/results-and-presentations.

31 July 2024

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RATHBONES GROUP PLC
Rathbones provides investment and wealth management services for private clients, charities, trustees and professional partners. We have been trusted for generations to manage and preserve our clients' wealth. Our tradition of investing and acting for everyone's tomorrow has been with us from the beginning and continues to lead us forward.

Rathbones has over 3,500 employees in 23 locations across the UK and Channel Islands; its headquarters is 30 Gresham Street, London, EC2V 7PG.

www.rathbones.com

A STRONG FIRST HALF FOCUSED ON DELIVERY

Rathbones has continued to focus on consolidating its position as the leading UK discretionary wealth manager, with total funds under management and administration ('FUMA') growing to £108.9 billion at 30 June 2024 (Q1 2024: £107.6 billion, FY 2023: £105.3 billion).

In the first six months of 2024, Rathbones has surpassed both the strategic and financial objectives we set out upon the announcement of the Investec Wealth & Investment ('IW&I') combination. We have achieved synergy realisation ahead of target, with run-rate synergies[1] of £20 million delivered to the end of June 2024, well ahead of our year one post-combination objective of £15 million. These synergies have delivered a benefit to underlying operating profit for the six-month period of £8 million and we remain confident in the guidance set out at the time of the combination.

Our office consolidation programme is progressing at pace with six office integrations completed so far, including our London head office move to Gresham Street earlier this month. The remaining two co-located offices will complete during the remainder of 2024.

Work to develop our combined service proposition is also advancing well, with several propositions now aligned across the group.

In June, we launched successfully the InvestCloud Client Lifecycle Management system into the business in line with the budgeted investment we guided previously. This represents a key milestone for our digital programme and gives us a strong platform from which to build enhanced functionality and improve the client experience.

The migration of Saunderson House assets has been substantially completed, with the advice process to migrate assets to Rathbones investment propositions completed or in progress, with only a small residue of £0.2 billion yet to engage in the migration process.

Our underlying operating margin was 25.1% for the six months to 30 June 2024 (30 June 2023: 21.3%), in line with our target and showing significant progress towards our target of a 30%+ margin. We end the period in a strong position, with confidence in the prospects for our enlarged business and a clear focus on maintaining the momentum of delivery during the second half of the year.

MARKET BACKDROP

After a sustained period where equity market growth was dominated by a select number of companies, it was encouraging to see more of a recovery across a wider number of sectors and geographies in the first half of 2024, with investor sentiment towards the UK in particular emerging more positively towards the end of the period from a challenging few years. Portfolios in Rathbones Investment Management (RIM) and IW&I continue to target balanced and diversified positioning to enable clients to meet their long-term goals and aspirations.

The UK wealth management industry remains attractive, with its long-term structural drivers well documented. Our services and propositions are well placed to respond to external market conditions, along with varied and changing client preferences in a period of ongoing and significant regulatory change.

As a combined business with significant scale, Rathbones offers a compelling and diverse range of investment and advice solutions, while remaining commercially competitive. Whether through bespoke investment management, advice services, or unitised product offerings, we continue to develop our proposition suite to deliver a service that remains highly valued by clients and their families, building long-lasting relationships across generations over multiple planning and investment horizons.

PERFORMANCE, FUMA AND FINANCIAL REVIEW

Total gross inflows of FUMA were strong in the second quarter, up 3.3% to £3.1 billion relative to the first quarter (Q1 2024: £3.0 billion), exhibiting that the demand for investment management services continues to grow as the cost-of-living crisis begins to abate. Total gross outflows reduced 8.6% to £3.2 billion (Q1 2024: £3.5 billion) in the second quarter. Although gross outflows remain elevated, reflecting the impact that the prolonged higher interest rate environment has on debt servicing costs and the relative attraction of cash as an asset class, the reduction we have seen in the second quarter offers a greater degree of optimism that we are returning to more normalised outflow levels.

Net flows in RIM discretionary and managed propositions remained positive in the second quarter at £0.1 billion, resulting in £0.5 billion of net inflows for the first half of the year (30 June 2023: £0.2 billion).

Net flows in IW&I improved significantly, returning to positive territory in the second quarter with net inflows of £0.2 billion (Q1 2024: net outflows of £0.6 billion). This reflects both a significant reduction in gross outflows relating to investment managers who left the business prior to the announcement of the combination and improved gross inflows as client confidence in investment markets improves.

Despite renewed investor confidence and stability in the market, the asset management industry continued to face challenges. Performance in our single strategy funds, and in particular across our largest funds, remained resilient, however, limiting outflows to £0.1 billion in the second quarter (Q1 2024: £0.2 billion). There has been both stronger client interest in the Rathbone Global Opportunities Fund and a pickup in interest in the Rathbone UK Opportunities Fund, following strong recent performance and renewed interest in UK equities as an asset class. The small but consistent outflows from the single strategy funds have been offset by flows into our in-house and multi-asset fund range, supported by good performance, particularly over the medium and longer-term.

UNDERLYING FINANCIAL BUSINESS PERFORMANCE

Total operating income for the group increased by 88.0% to £447.4 million (30 June 2023: £238.0 million). Legacy Rathbones operating income grew by 11.6% to £265.7 million on a like-for-like basis, driven by recurring investment management and asset management fees on higher average FUMA.

[1] This measure is considered an alternative performance measure (APM). Please refer to page 32 for more details on APMs.

Net interest income also contributed £32.7 million to operating income in the first half, up from £23.0 million during the same period last year, reflecting the continuing higher interest rate environment and higher returns on treasury investments.

Total underlying operating expenses for the period were £335.3 million (30 June 2023: £187.2 million). The increase year-on-year reflects the impact of the integration, as well as annual salary increases, in addition to variable costs increasing in line with underlying profitability. Total underlying expenses also include £7.1 million of planned investment in our digital programme (30 June 2023: £6.0 million) with the remainder of the £15 million guided for the year to be spent in the second half of the year, as we undertake the planned post-implementation phase of system enhancement and complete the £45 million spend. An FSCS levy of £4.5 million was expensed in full in the first half, returning to what we currently expect to be more normal levels.

Underlying profit before tax totalled £112.1 million at 30 June 2024 (30 June 2023: £50.8 million), reflecting the inclusion of IW&I for the current six-month period, with an underlying operating margin of 25.1% (30 June 2023: 21.3%). This strong development from a lower 20s% margin last year to mid-20s% this year exhibits our progression towards a 30%+ margin target which we remain confident can be achieved within previously guided timescales.

INTEGRATION COSTS AND STATUTORY PROFIT

Statutory profit before tax increased by 151.2% to £65.3 million (30 June 2023: £26.0 million), after expensing amortisation of client relationship intangible assets of £22.0 million (30 June 2023: £9.5 million) and integration related costs of £24.8 million (30 June 2023: £15.3 million) in the period. We continue to expect that total acquisition-related and integration costs of £177 million will be expensed over the next 2 – 3 years, partially funded by £45 million of capital left in IW&I by Investec at completion.

The successful assignment of our London head office lease at 8 Finsbury Circus, without incurring penalties or void rental periods, removes what was previously an area of risk to the overall cost of the integration. Employee incentive run-rates also remain in line with expectations. A full reconciliation between profit before tax and underlying profit before tax can be found in note 4 of the interim financial statements.

Our balance sheet remains strong and robust with a consistent Common Equity Tier 1 ratio of 18.1% at 30 June 2024 (FY 2023: 17.8%), evidencing our resilient capital position. Our capital surplus of own funds (excluding year-to-date post-tax profits) over our regulatory capital requirement was £145.6 million at 30 June 2024 (FY 2023: £134.5 million). This significant surplus puts us in a strong position to fund integration costs over 2024/2025 and maintain our progressive dividend policy. As mentioned in our Q1 2024 update, the Trustees of Rathbones' two defined benefit pension schemes entered into an agreement with Canada Life to fully insure the benefits of members of both schemes in a "Buy-In" arrangement. This arrangement removes the future obligation on the group to fund these benefits and substantially de-risks the group's balance sheet. Subject to regulatory approval, we expect to be able to confirm the associated capital benefit by the end of this financial year.

INTERIM DIVIDEND

As with previous integrations, our progressive dividend policy looks through short-term events and we have therefore increased our interim dividend by 3.4% to 30p (30 June 2023: 29p), reflecting the strength of our balance sheet and our confidence in the future. The record date will be 6 September 2024 and the dividend will be paid on 1 October 2024.

INVESTEC WEALTH & INVESTMENT

The integration of IW&I is progressing well, and we continue to balance the execution of the integration with business-as-usual activity to deliver both our operational and strategic objectives.

The process of seeking clients' consent to move their accounts to RIM from IW&I is well underway. This process started with small pilots and has now moved to the full-scale process of communication which is currently ongoing. We have now written to circa 45% of clients, with the remainder to be contacted in the coming weeks. Response rates have been positive and in line with our expectations. Work will continue in earnest for the remainder of this year, and we remain confident in our ability to migrate clients in the first quarter of 2025. In preparation for client migration, our data teams have also carried out successful test migrations to ensure the smooth migration of client records following the completion of the consent process.

During the first half of the year, we successfully combined six of our dual sites across the UK, where both Rathbones and IW&I have offices, thereby significantly reducing property cost exposure and delivering the expected synergies. Our colleagues in Birmingham, Cheltenham, Exeter, Glasgow, and Edinburgh have been working in combined premises following their moves during the first half of the year, and our London colleagues have now also combined premises, moving out of Finsbury Circus and into Gresham Street earlier this month. Further regional office moves, including Bristol and Liverpool, will follow during the second half of the year. Associated costs to achieve this change are broadly as expected and the opportunity for teams to work collaboratively under one roof has been widely welcomed.

The combination presents the opportunity to provide a compelling range of services. In the first half we adopted IW&I's structured product and SIPP administration capabilities, and we are working to streamline MPS offerings across the combined group by leveraging the capability in Rathbones Asset Management. Greenbank is now being offered across the group, and our partnership with Investec Bank is working well, as we continue to see leads referred into the business.

There is a great deal of similarity in the core services of RIM and IW&I, and we are making tangible progress in the alignment of our marketing and distribution teams to ensure that we deliver propositions to market consistently across the wider group.

Investment manager turnover remains low across the combined business. In addition, work to bring client facing and support teams together is also progressing well with several key leadership changes below group executive level successfully enacted during the period. Each organisational change is subject to a strong governance and decision-making process that considers structure, capability, and diversity as well as adherence to synergy targets. This is a unique opportunity to leverage the considerable talent that exists across our combined business.

In our first quarter update in May 2024, we noted that we had achieved £10.6 million of the £15.0 million of run-rate synergies targeted for 2024. As at 30 June 2024, the run-rate synergies achieved had increased to £20 million, which represents a significant acceleration of delivery. These synergies have delivered a benefit to underlying operating profit for the six-month period of £8 million.

While it is reassuring to have delivered synergies ahead of expectations so far, our focus remains on the delivery of the remaining synergies, the total value of which we expect to remain consistent with our original objective of £60 million once the integration process is complete.

SAUNDERSON HOUSE

The migration of Saunderson House Limited ('SHL') is now substantially complete, with £4.3 billion of SHL connected FUMA as at 30 June 2024. Of assets of £0.8 billion not yet fully migrated, only £0.2 billion relates to clients that are yet to engage with the consent process.

This has been an important strategic deal for Rathbones, as our Saunderson House colleagues have significantly increased our capacity to offer financial planning services to more of our client base. Revenue generated on migrated assets totalled £17.2 million across the group in the first half as assets moved into both investment management and asset management solutions, with annualised revenue of £37.3 million. Run rate revenue margins were 114bps at 30 June 2024. In the second half of the year we expect to largely complete all systems integrations and closures that will enable us to deliver anticipated cost synergies.

The Saunderson House brand has now been decommissioned and the combined Rathbone Financial Planning business is now operating under the Rathbones brand.

IMPROVING OUR DIGITAL CAPABILITY

In June 2024, we launched successfully the InvestCloud Client Lifecycle Management ('CLM') system into the business with first stage functionality. We can now add improved capability throughout the rest of 2024 in advance of the IW&I migration in the first quarter of 2025. This has enabled us to leverage a modern solution that we can now build on to improve efficiency and client service. Improvements throughout 2024 will be to both digital onboarding and servicing.

As part of the overall integration with IW&I and our intention to adopt the best of both business' capabilities, we have also incorporated Salesforce and IRESS XPlan to provide common groupwide sales enablement and financial planning solutions. By blending MyRathbones provided by Objectway, InvestCloud, Salesforce and Charles River, we will have a modern and comprehensive suite of applications that will enable us to manage our client and adviser base more efficiently and effectively. Project costs for the full year ended 31 December 2024 are expected to be circa £15 million, bringing the total cost to £45 million over the project period, in-line with guidance. Following project completion in 2024, further developments in the capabilities will be met from normal change budgets, under the same approach that applies to our other applications.

MyRathbones continues to be used by an increasing portion of our client base, with 60% of clients now registered users, with an expectation these numbers will increase further as we move through the integration process.

INSPIRING OUR PEOPLE

I am sure that shareholders will recognise the amount of work involved in an integration of this size. We are proud of the substantial effort, commitment and skill that has been demonstrated by our colleagues in the business throughout the period, and, in particular, their success in maintaining the high standards of service that we continually strive to deliver for our clients. Aside from the inevitable uncertainties that are created over a period of change, we continue to prioritise timely communication, continual feedback, and engagement with colleagues as we work through the operational detail that supports progress toward our objectives.

Rathbones and IW&I teams are working closely and collaboratively, building relationships that will lay the foundations of the firm for many years to come. We remain committed to our DE&I objectives and to creating teams across the group that reflect both the best talent the business has to offer and the right balance for the combined organisation, supported by executive-sponsored working groups focussing on key areas where we think we will make a difference.

PRINCIPAL RISKS AND UNCERTAINTIES

The most important external changes to the group's principal risks and uncertainties relate to the changing economic and political landscape under a new government. Otherwise, the principal risks and uncertainties set out in our 2023 annual report and accounts remain current and continue to receive management attention.

These are set out in the strategic report and group risk committee report in pages 82 to 86 and pages 107 to 109 of the 2023 annual report and accounts. Although we have not added any new material risks to our taxonomy this half year, there have been changes in how these risks are perceived. Change risk and integration risk remain elevated as we move through integration, and people risk is expected to increase as our teams set out their integration plans. These risks continue to receive a high degree of focus and management through our integration planning and governance processes. Pension risk exposure has reduced as a result of action taken by the pension scheme trustees to complete the buy-in process to insure the future liabilities of the schemes.

REGULATION

We remain committed to ensuring that the interests of our clients are at the forefront of everything we do. Our ongoing efforts to meet and exceed regulatory requirements are central to our commitment to maintaining client trust and long-term sustainable growth. We continue to have an ongoing constructive dialogue with all regulators and fully support the principles underlying Consumer Duty as we continue to proactively respond to regulatory requirements and changes.

GOING CONCERN

As set out in the statement of directors' responsibilities of the condensed consolidated interim financial statements, the directors believe that the group is well positioned to manage its business risks successfully. The group's financial projections, and the capital adequacy and liquidity assessment, which is required to apply severe but plausible stress scenarios to these projections, provide comfort that the group has adequate financial and regulatory resources to continue in operational existence for the foreseeable future.

In forming their view, the directors have considered the group's prospects for a period exceeding 12 months from the date the condensed consolidated interim financial statements are approved.

OUTLOOK

The UK wealth market has continued to consolidate over the first half of the year. We continue to believe in the benefits of scale for enduring success in this industry, and the scale that our combined business now has, affords us independence, stability, more capacity to invest and a higher level of efficiency and optionality in how we operate and deliver for our clients, as well as being the employer of choice for the skills and talent we require for our future success.

Although our focus as a business, and for clients, is over the long term, the broader outlook for flows in the shorter-term is improving as client confidence to invest increases, helped by a more certain UK political backdrop, lower inflation and the increased likelihood of a reduction in interest rates. Our breadth of proposition, growing marketing and distribution capability and robust balance sheet will be the foundation on which we will take advantage of a structurally growing sector and achieve the financial objectives we aspire to.

Paul Stockton
Group Chief Executive Officer

30 July 2024

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Note	**Unaudited Six months to 30 June 2024 £m**	Unaudited Six months to 30 June 2023 £m	Audited Year to 31 December 2023 £m
Interest and similar income		**74.3**	65.9	128.8
Interest expense and similar charges		**(41.6)**	(42.9)	(77.1)
Net interest income		**32.7**	23.0	51.7
Fee and commission income		**415.7**	228.5	538.6
Fee and commission expense		**(16.7)**	(14.1)	(29.7)
Net fee and commission income		**399.0**	214.4	508.9
Other operating income		**15.7**	0.6	10.5
Operating income		**447.4**	238.0	571.1
Charges in relation to client relationship intangible assets and goodwill	14	**(22.0)**	(9.5)	(25.2)
Acquisition-related and integration costs	6	**(24.8)**	(15.3)	(44.3)
Other operating expenses		**(335.3)**	(187.2)	(444.0)
Operating expenses		**(382.1)**	(212.0)	(513.5)
Profit before tax		**65.3**	26.0	57.6
Taxation	8	**(19.8)**	(6.3)	(20.1)
Profit after tax		**45.5**	19.7	37.5
Profit for the period attributable to equity holders of the company		**45.5**	19.7	37.5
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Net remeasurement of defined benefit asset		**(10.4)**	(2.8)	(5.8)
Deferred tax relating to the net remeasurement of defined benefit pension scheme asset		**2.6**	0.7	1.5
Other comprehensive income net of tax		**(7.8)**	(2.1)	(4.3)
Total comprehensive income for the period net of tax attributable to equity holders of the company		**37.7**	17.6	33.2
Dividends paid in and proposed for the period per ordinary share	9	**30.0p**	29.0p	87.0p
Dividends paid in and proposed for the period		**31.0**	17.0	62.9
Earnings per share for the period attributable to equity holders of the company:	10			
– basic		**43.9p**	33.6p	52.6p
– diluted		**42.8p**	32.8p	50.8p

The accompanying notes form an integral part of the condensed consolidated interim financial statements.

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

AS AT 30 JUNE 2024

	Note	Share capital £m	Share premium £m	Merger reserve £m	Own shares £m	Retained earnings £m	Total equity £m
At 1 January 2023		3.2	310.0	77.0	(52.6)	297.2	634.8
Profit for the period		—	—	—	—	19.7	19.7
Net remeasurement of defined benefit pension scheme asset		—	—	—	—	(2.8)	(2.8)
Deferred tax relating to components of other comprehensive income		—	—	—	—	0.7	0.7
Other comprehensive income net of tax		—	—	—	—	(2.1)	(2.1)
Dividends paid		—	—	—	—	(33.4)	(33.4)
Issue of share capital	18	—	0.8	—	—	—	0.8
Share-based payments:							
– cost of share-based payment arrangements		—	—	—	—	10.7	10.7
– cost of vested employee remuneration and share plans		—	—	—	—	(5.6)	(5.6)
– cost of own shares vesting		—	—	—	11.4	(11.4)	—
– cost of own shares acquired		—	—	—	(6.7)	—	(6.7)
– tax on share-based payments		—	—	—	—	0.1	0.1
At 30 June 2023 (unaudited)		3.2	310.8	77.0	(47.9)	275.2	618.3
Profit for the period		—	—	—	—	17.8	17.8
Net remeasurement of defined benefit pension scheme asset		—	—	—	—	(3.0)	(3.0)
Deferred tax relating to components of other comprehensive income		—	—	—	—	0.8	0.8
Other comprehensive income net of tax		—	—	—	—	(2.2)	(2.2)
Dividends paid		—	—	—	—	(38.0)	(38.0)
Issue of share capital	18	2.2	1.5	747.4	—	—	751.1
Share-based payments:							
– cost of share-based payment arrangements		—	—	—	—	13.3	13.3
– cost of vested employee remuneration and share plans		—	—	—	—	(0.4)	(0.4)
– cost of own shares vesting		—	—	—	1.6	(1.6)	—
– cost of own shares acquired		—	—	—	(9.3)	—	(9.3)
– tax on share-based payments		—	—	—	—	(0.4)	(0.4)
At 31 December 2023 (audited)		**5.4**	**312.3**	**824.4**	**(55.6)**	**263.7**	**1,350.2**
Profit for the period		**—**	**—**	**—**	**—**	**45.5**	**45.5**
Net remeasurement of defined benefit pension scheme asset		**—**	**—**	**—**	**—**	**(10.4)**	**(10.4)**
Deferred tax relating to components of other comprehensive income		**—**	**—**	**—**	**—**	**2.6**	**2.6**
Other comprehensive income net of tax		**—**	**—**	**—**	**—**	**(7.8)**	**(7.8)**
Dividends paid		**—**	**—**	**—**	**—**	**(25.2)**	**(25.2)**
Issue of share capital	18	**—**	**2.4**	**—**	**—**	**—**	**2.4**
Share-based payments:							
– cost of share-based payment arrangements		**—**	**—**	**—**	**—**	**14.8**	**14.5**
– cost of vested employee remuneration and share plans		**—**	**—**	**—**	**—**	**(4.4)**	**(4.1)**
– cost of own shares vesting		**—**	**—**	**—**	**3.4**	**(3.4)**	**–**
– cost of own shares acquired		**—**	**—**	**—**	**(8.9)**	**—**	**(8.9)**
– tax on share-based payments		**—**	**—**	**—**	**—**	**0.7**	**0.7**
At 30 June 2024 (unaudited)		**5.4**	**314.7**	**824.4**	**(61.1)**	**283.9**	**1,367.3**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	Unaudited 30 June 2024 £m	Unaudited 30 June 2023 £m	Audited 31 December 2023 £m
Assets				
Cash and balances with central banks		**1,033.0**	1,141.9	1,038.3
Settlement balances		**371.7**	215.1	165.7
Loans and advances to banks		**230.3**	139.5	266.9
Loans and advances to customers	11	**120.3**	143.4	115.6
Investment securities:				
– fair value through profit or loss		**–**	3.1	1.2
– amortised cost		**1,392.9**	1,233.8	1,294.6
Prepayments, accrued income and other assets		**244.2**	152.2	225.3
Property, plant and equipment	12	**39.4**	10.9	16.1
Right-of-use assets	13	**51.6**	37.3	64.5
Current tax assets		**6.4**	9.2	3.9
Intangible assets	14	**997.8**	347.2	1,025.3
Defined benefit pension scheme asset	17	**0.4**	7.0	7.0
Total assets		**4,488.0**	3,440.6	4,224.4
Liabilities				
Deposits by banks		**19.4**	17.2	12.4
Settlement balances		**406.4**	211.2	172.1
Due to customers		**2,298.8**	2,377.1	2,253.3
Accruals and other liabilities		**194.0**	98.5	209.6
Lease liabilities		**48.3**	48.9	74.9
Current tax liabilities		**0.9**	0.4	0.5
Net deferred tax liabilities		**79.8**	9.9	86.0
Provisions for liabilities and charges	15	**33.2**	19.2	25.5
Subordinated loan notes	16	**39.9**	39.9	39.9
Total liabilities		**3,120.7**	2,822.3	2,874.2
Equity				
Share capital	18	**5.4**	3.2	5.4
Share premium	18	**314.7**	310.8	312.3
Merger reserve	18	**824.4**	77.0	824.4
Own shares		**(61.1)**	(47.9)	(55.6)
Retained earnings		**283.9**	275.2	263.7
Total equity		**1,367.3**	618.3	1,350.2
Total liabilities and equity		**4,488.0**	3,440.6	4,224.4

The condensed consolidated interim financial statements were approved by the board of directors and authorised for issue on 30 July 2024 and were signed on its behalf by:

Paul Stockton
Group Chief Executive Officer

Iain Hooley
Group Chief Financial Officer

Company registered number: 01000403

30 July 2024

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Unaudited 30 June 2024 £m	Unaudited 30 June 2023 £m	Audited 31 December 2023 £m
Cash flows from operating activities				
Profit before tax		**65.3**	26.0	57.6
Change in fair value through profit or loss		**—**	—	(1.0)
Net interest income		**(32.7)**	(23.0)	(51.7)
Net (recoveries)/impairment charges on loans and advances		**(0.1)**	(0.1)	0.1
Net charge to income statement for provisions	15	**10.1**	7.3	9.4
Gain on modification of leases		**(12.9)**	—	—
Depreciation, amortisation and impairment		**36.8**	17.0	47.1
Foreign exchange movements		**(0.2)**	3.9	3.4
Defined benefit pension scheme charges		**(0.2)**	(0.2)	(0.5)
Defined benefit pension contributions paid		**(3.7)**	(0.2)	(2.9)
Share-based payment charges	19	**14.8**	10.7	24.0
Interest paid		**(39.6)**	(34.5)	(67.7)
Interest received		**104.5**	49.6	111.9
		142.1	56.5	129.7
Changes in operating assets and liabilities:				
– net (increase)/decrease in loans and advances to banks and customers		**(2.3)**	17.3	87.4
– net (increase)/decrease in settlement balance debtors		**(206.0)**	(149.3)	133.3
– net increase in prepayments, accrued income and other assets		**(40.2)**	(14.9)	(36.2)
– net increase/(decrease) in amounts due to customers and deposits by banks		**52.5**	(122.9)	(251.5)
– net increase/(decrease) in settlement balance creditors		**234.3**	141.3	(123.6)
– net increase/(decrease) in accruals, provisions and other liabilities		**(23.6)**	(20.9)	1.0
Cash generated from/(used in) operations		**156.8**	(92.9)	(59.9)
Tax paid		**(24.7)**	(8.7)	(29.5)
Net cash inflow/(outflow) from operating activities		**132.1**	(101.6)	(89.4)
Cash flows from investing activities				
Cash acquired on acquisition of subsidiaries		**—**	—	172.6
Purchase of property, plant, equipment and intangible assets		**(35.6)**	(3.7)	(10.7)
Purchase of investment securities		**(1,040.6)**	(1,083.9)	(2,059.9)
Proceeds from sale and redemption of investment securities		**943.6**	899.6	1,818.1
Net cash used in investing activities		**(132.6)**	(188.0)	(79.9)
Cash flows from financing activities				
Issue of ordinary shares	22	**2.4**	0.8	—
Repurchase of ordinary shares	22	**(8.9)**	(6.7)	(16.0)
Dividends paid		**(25.2)**	(33.4)	(71.4)
Payment of lease liabilities		**(5.3)**	(3.9)	(7.5)
Interest paid		**(2.1)**	(2.6)	(5.6)
Net cash used in financing activities		**(39.1)**	(45.8)	(100.5)
Net decrease in cash and cash equivalents		**(39.6)**	(335.4)	(269.8)
Cash and cash equivalents at the beginning of the period		**1,302.9**	1,572.7	1,572.7
Cash and cash equivalents at the end of the period	22	**1,263.3**	1,237.3	1,302.9

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 BASIS OF PREPARATION

Rathbones Group Plc ('the company') is the parent company of a group of companies ('the group') that is a leading provider of high-quality, personalised investment and wealth management services for private clients, charities and trustees. This includes discretionary investment management, unit trust management, tax planning, trust services, pension advice and banking services. The products and services from which the group derives its revenues are described on page 2 of the annual report and accounts for the year ended 31 December 2023 and have not materially changed since that date.

These condensed consolidated interim financial statements, on pages 7 to 29, are presented in accordance with United Kingdom adopted International Accounting Standard 34. The condensed consolidated interim financial statements have been prepared on a going concern basis, using the accounting policies, methods of computation and presentation set out in the group's financial statements for the year ended 31 December 2023. The condensed consolidated interim financial statements should be read in conjunction with the group's audited financial statements for the year ended 31 December 2023.

The information in these interim financial statements does not comprise statutory financial statements within the meaning of section 434 of the Companies Act 2006. The comparative figures for the financial year ended 31 December 2023 are not the group's statutory accounts for that financial year. The group's financial statements for the year ended 31 December 2023 have been reported on by its auditors and delivered to the Registrar of Companies. The report of the auditor on those financial statements was unqualified and did not draw attention to any matters by way of emphasis. It also did not contain a statement under section 498 of the Companies Act 2006.

DEVELOPMENTS IN REPORTING STANDARDS AND INTERPRETATIONS

STANDARDS AND INTERPRETATIONS ADOPTED DURING THE CURRENT REPORTING PERIOD

The following amendments to standards have been adopted in the current period, but have not had a significant impact on the amounts reported in these financial statements:

- Lease Liability in a Sale and Leaseback — Amendments to IFRS 16
- Classification of liabilities as current or non-current (Amendments to IAS 1)
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures Supplier Finance Arrangements
- International Tax Reform — Pillar Two Model Rules (Amendments to IAS 12)

FUTURE NEW STANDARDS AND INTERPRETATIONS

The following standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted; however, the group has not early-adopted the amended standards in preparing these consolidated financial statements.

Standards available for early adoption	Effective date
Sale or Contribution of Assets between an Investor and its Associate or Join Venture (Amendments to IFRS 10 and IAS 28)	Optional
Lack of Exchangeability (Amendments to IAS 21)	01 January 2025
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS7)	01 January 2026

None of the standards not yet effective are expected to have a material impact on the group's financial statements.

2 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the group's consolidated financial statements as at, and for the year ended, 31 December 2023.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

The group has reviewed the judgements and estimates that affect its accounting policies and amounts reported in its financial statements. Other than those noted below, these are unchanged from those reported in the group's financial statements for the year ended 31 December 2023.

3.1 BUSINESS COMBINATIONS (NOTE 5)

3.1.1 INVESTEC WEALTH & INVESTMENT

Intangible assets

In 2023, the group acquired the entire share capital of Investec Wealth & Investment Limited ('IW&I'). The group has accounted for the transaction as a business combination as set out in note 5.

The fair value of net assets acquired was determined to be £411.8 million. Goodwill of £340.1 million was recognised at acquisition, and represents the future economic benefit expected from an acquired workforce, expected future growth and future client relationships, as well as operational and revenue synergies. Goodwill was revalued in the period to £332.6 million. A reduction in goodwill of £8.2 million was attributable to the recognition of contingent consideration receivable owed to the group by the seller (see below for further detail). This was partially offset by a £0.7 million increase in goodwill attributable to a re-measurement of the acquired client relationship intangible assets and the related deferred tax liability (see below for further detail).

The allocation of goodwill between the group's cash-generating units has been based on their respective relative values. The allocation of goodwill is provisional and shall be reviewed and completed before the end of the first annual period after the acquisition. See note 14.

Client relationship intangible assets of £350.3 million were recognised at acquisition. A multi-period earnings model was used to value the intangible assets by using estimates of client longevity and investment performance to derive a series of discounted cash flows. This was determined with reference to management's best estimates of future performance and estimates of the return required to determine an appropriate discount rate. These assets are being amortised over an average useful economic life of 14 years. During the period, the intangible assets were remeasured in line with IFRS 3 and adjusted downwards by £1.2 million to reflect new information about facts and circumstances in existence at the acquisition date. The related deferred tax liability was also reduced accordingly by £0.5 million.

Contingent consideration receivable

At acquisition, the seller, Investec Bank plc, agreed to indemnify the cost of the fit-out works (in excess of any landlord incentives) to be carried out at 30 Gresham Street, which operates as the new London head-office for the enlarged group. Sufficient capital was to be left in IW&I at the time of completion to fund this. The costs of the fit-out are now expected to be higher than the original estimate at completion. The exact amount of the indemnified excess costs is not quantifiable until the fit-out works are completed and new lease terms are entered into. The current estimate leaves a shortfall of £8.2 million to be paid by Investec Bank plc.

In accordance with IFRS 3, as this amount is payable by the seller to the buyer under the acquisition agreements and is dependent on a future event, we consider the indemnification of the additional fit-out costs to be contingent consideration receivable. The standard notes that contingent consideration may include an acquirer's right to the return of previously transferred consideration. At the date of acquisition, the fair value of this receivable was assessed as nil, as the amount of excess capital left in IW&I was assumed to exactly cover the future fit-out costs. As the reassessment of the fair value at the reporting date is within the IFRS 3 measurement period, being 12 months from the date of acquisition, this is an adjustment to the acquisition accounting; recognition of a £8.2 million contingent consideration receivable has led to a corresponding reduction in goodwill.

Subsequent changes in the expected fit-out costs or lease incentives will require further re-measurement of the contingent consideration receivable; should these arise outside of the 12-month measurement period, these will be reflected through profit or loss.

Best expectations for the fit-out costs and landlord incentives have been used to arrive at the current estimate of £8.2 million. A range of outcomes for the value of the contingent consideration receivable is currently expected to be between £6.0 million and £12.0 million.

3.1.2 SAUNDERSON HOUSE

Estimation uncertainty
In 2021, the group acquired the entire share capital of Saunderson House Limited as part of a business combination. The equity-settled deferred payments that are contingent on the recipients remaining employees of the group for a specific period under the Saunderson House Transaction Incentive Plan are accounted for as remuneration for ongoing services from employment. The group's estimate of the amounts ultimately payable will be expensed over the deferral period.

The amount payable under the Saunderson House Transaction Incentive Plan 2021 is subject to the achievement of certain operational and performance targets which are to be measured at 31 December 2024 ('the measurement date'). A profit or loss charge has been recognised in equity for the expected consideration payable.

Under the terms of the agreements, the award is calculated as 0.1% of funds under management ('FUM') at the measurement date of 31 December 2024. The key estimation uncertainty for this award is the value of the FUM at the measurement date, The key inputs to the estimated value of FUM at the measurement date are forecast market movements and estimated net inflows and outflows of FUM. In addition to the FUM-based award are integration and discretionary awards. The total of all awards payable under the scheme ranges from nil to a maximum possible award, payable in shares, of £7.5 million.

Should the maximum total award of £7.5 million become payable, it would result in an additional charge to profit or loss in the period of £0.9 million. A payment of nil would result in a reversal of the accumulated profit or loss charge recognised since commencement of the scheme of £4.3 million in the period.

3.2 RETIREMENT BENEFIT OBLIGATIONS (NOTE 17)
An insurance buy-in of the group's retirement benefits was completed during the period. An asset for the insurance contract was subsequently recognised at a fair value equivalent to the liabilities in the scheme. The liabilities continue to be revalued on a monthly basis in line with IAS 19, and the insurance asset is revalued accordingly by an equal and offsetting amount. The net impact on equity and total comprehensive income from future revaluations is expected to be nil. We therefore no longer consider this to be an area of estimation uncertainty.

4 SEGMENTAL INFORMATION
IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the group that are regularly reviewed by the chief operating decision-maker, which takes the form of the Group Executive Committee, in order to allocate resources to the segment and to assess its performance.

The group is organised into two reporting segments: Wealth Management and Asset Management. IW&I has been identified as a separate operating segment of the group. The results of this segment have been reported in aggregate with the group's previously existing Wealth Management segment, on the basis that their long-term characteristics are expected to align following the initial integration period of the business.

The principal activity of the Wealth Management segment is the provision of personalised discretionary investment management solutions to a range of clients. Wealth Management services offered to clients include bespoke portfolio management, managed service of ready-made diversified multi-asset portfolios and direct access to range of ready-made multi-asset funds. The Wealth Management segment also generates revenue through the provision of financial planning and advisory services.

The Asset Management segment offers a range of single-strategy and multi-asset funds to both retail and institutional investors. The range of funds available are designed to meet investors' core investment needs, or provide 'building blocks' for wealth solutions, with distribution primarily through UK advisors.

Centrally incurred shared service costs are allocated to these operating segments on the basis of the cost drivers that generate the expenditure; principally, these are the headcount of staff directly involved in providing those services from which the segment earns revenues and the value of funds under management and administration.

The allocation of these costs is shown in a separate column in the table opposite, alongside the information presented for internal reporting. Wealth Management Segmental Assets relate to assets held within the Investment Management, Banking and Trust businesses. Asset Management Segmental Assets are assets held solely within the Asset Management business. Unallocated Segmental Assets relate to the Net Defined Benefit Asset held on the statement of financial position.

4 SEGMENTAL INFORMATION CONTINUED

Six months ended 30 June 2024 (unaudited)	Wealth Management £m	Asset Management £m	Shared Services £m	Total £m
Net investment management fee income	285.5	38.5	—	324.0
Net commission income	47.2	—	—	47.2
Net interest income	31.8	0.9	—	32.7
Fees from advisory services and other income	43.1	0.4	—	43.5
Operating income	407.6	39.8	—	447.4
Staff costs — fixed	(118.1)	(3.9)	(27.6)	(149.6)
Staff costs — variable	(64.4)	(9.6)	(9.8)	(83.8)
Total staff costs	(182.5)	(13.5)	(37.4)	(233.4)
Other direct expenses	(55.1)	(7.4)	(39.4)	(101.9)
Allocation of shared services	(70.6)	(6.2)	76.8	—
Underlying operating expenses	(308.2)	(27.1)	—	(335.3)
Underlying profit before tax	99.4	12.7	—	112.1
Charges in relation to client relationship intangible assets and goodwill (note 14)	(22.0)	—	—	(22.0)
Acquisition-related and integration costs (note 6)	(24.8)	—	—	(24.8)
Segment profit before tax	52.6	12.7	—	65.3
Taxation (note 8)	—	—	—	(19.8)
Profit for the period attributable to equity holders of the company	—	—	—	45.5

	Wealth Management £m	Asset Management £m	Unallocated Assets £m	Total £m
Segment total assets	4,394.9	92.7	0.4	4,488.0

4 SEGMENTAL INFORMATION CONTINUED

Six months ended 30 June 2023 (unaudited)	Wealth Management £m	Asset Management £m	Shared Services £m	Total £m
Net investment management fee income	138.8	31.1	—	169.9
Net commission income	23.7	—	—	23.7
Net interest income	22.2	0.8	—	23.0
Fees from advisory services and other income	21.0	0.4	—	21.4
Operating income	205.7	32.3	—	238.0
Staff costs — fixed	(59.5)	(3.7)	(25.1)	(88.3)
Staff costs — variable	(31.6)	(5.3)	(7.0)	(43.9)
Total staff costs	(91.1)	(9.0)	(32.1)	(132.2)
Other direct expenses	(20.5)	(6.2)	(28.3)	(55.0)
Allocation of shared services	(53.0)	(7.4)	60.4	—
Underlying operating expenses	(164.6)	(22.6)	—	(187.2)
Underlying profit before tax	41.1	9.7	—	50.8
Charges in relation to client relationship intangible assets and goodwill (note 14)	(9.5)	—	—	(9.5)
Acquisition-related and integration costs (note 6)	(2.2)	—	(13.1)	(15.3)
Segment profit before tax	29.4	9.7	(13.1)	26.0
Taxation (note 8)	—	—	—	(6.3)
Profit for the period attributable to equity holders of the company	—	—	—	19.7

	Wealth Management £m	Asset Management £m	Unallocated Assets £m	Total £m
Segment total assets	3,276.0	157.6	7.0	3,440.6

4 SEGMENTAL INFORMATION CONTINUED

Year ended 31 December 2023 (audited)	Wealth Management £m	Asset Management £m	Shared Services £m	Total £m
Net investment management fee income	350.1	64.7	—	414.8
Net commission income	53.6	—	—	53.6
Net interest income	49.9	1.8	—	51.7
Fees from advisory services and other income	50.3	0.7	—	51.0
Operating income	503.9	67.2	—	571.1
Staff costs – fixed	(147.2)	(7.1)	(51.8)	(206.1)
Staff costs – variable	(78.2)	(13.4)	(15.9)	(107.5)
Total staff costs	(225.4)	(20.5)	(67.7)	(313.6)
Other direct expenses	(53.7)	(12.2)	(64.5)	(130.4)
Allocation of shared services	(119.4)	(12.8)	132.2	—
Underlying operating expenses	(398.5)	(45.5)	—	(444.0)
Underlying profit before tax	105.4	21.7	—	127.1
Charges in relation to client relationship intangible assets and goodwill (note 14)	(25.2)	—	—	(25.2)
Acquisition-related and integration costs (note 6)	(11.0)	—	(33.3)	(44.3)
Segment profit before tax	69.2	21.7	(33.3)	57.6
Taxation (note 8)	—	—	—	(20.1)
Profit for the year attributable to equity holders of the company	—	—	—	37.5

	Wealth Management £m	Asset Management £m	Unallocated Assets £m	Total £m
Segment total assets	4,099.6	117.8	7.0	4,224.4

Included within Wealth Management operating income is £0.8 million (30 June 2023: £0.8 million; 31 December 2023: £1.5 million) of fees and commissions receivable from the Asset Management business. Inter-segment sales are charged on an arm's length basis.

The following table reconciles underlying operating expenses to operating expenses:

	Unaudited Six months to 30 June 2024 £m	Unaudited Six months to 30 June 2023 £m	Audited Year to 31 December 2023 £m
Underlying operating expenses	**335.3**	187.2	444.0
Charges in relation to client relationships and goodwill (note 14)	**22.0**	9.5	25.2
Acquisition-related and integration costs (note 6)	**24.8**	15.3	44.3
Operating expenses	**382.1**	212.0	513.5

4 SEGMENTAL INFORMATION CONTINUED

GEOGRAPHIC ANALYSIS

The following table presents operating income analysed by the geographical location of the group entity providing the service:

	Unaudited Six months to 30 June 2024 £m	Unaudited Six months to 30 June 2023 £m	Audited Year to 31 December 2023 £m
United Kingdom	**436.7**	229.7	553.4
Channel Islands	**10.7**	8.3	17.7
Operating income	**447.4**	238.0	571.1

The group's non-current assets are substantially all located in the United Kingdom.

TIMING OF REVENUE RECOGNITION

The following table presents operating income analysed by the timing of revenue recognition of the operating segment providing the service:

	Unaudited Six months to 30 June 2024		Unaudited Six months to 30 June 2023		Audited Year to 31 December 2023	
	Wealth Management £m	**Asset Management £m**	Wealth Management £m	Asset Management £m	Wealth Management £m	Asset Management £m
Products and services transferred at a point in time	**48.8**	**—**	16.9	—	44.4	—
Products and services transferred over time	**358.8**	**39.8**	188.8	32.3	459.5	67.2
Operating income	**407.6**	**39.8**	205.7	32.3	503.9	67.2

MAJOR CLIENTS

The group is not reliant on any one client or group of connected clients for generation of revenues. At 30 June 2024, the group provided wealth management services to 114,294 clients (30 June 2023: 68,629; 31 December 2023: 114,200).

5 BUSINESS COMBINATIONS

INVESTEC WEALTH & INVESTMENT

On 21 September 2023, the group completed its acquisition of 100% of the ordinary share capital of Investec Wealth & Investment Limited (IW&I) from Investec Bank plc. Full details of the acquisition are set out in note 8 of the 2023 annual report and accounts.

Total consideration transferred to Investec Bank plc of £751.9 million comprised a share issue of 27,056,463 ordinary shares and 17,481,868 convertible non-voting ordinary shares. Based on Rathbones' issued share capital at completion, the total shares transferred to Investec Bank plc amounted to an economic interest in Rathbones Group Plc of 41.25%, but in accordance with the terms of the acquisition 29.9% of the total voting rights in Rathbones.

As set out in note 3, at 30 June 2024, a £8.2 million contingent consideration receivable is due from Investec Bank plc to fund the fit-out costs at 30 Gresham Street, which were indemnified at the time of the acquisition. Sufficient capital was to be left in IW&I at the time of completion to fund this. The costs of the fit-out are now expected to be higher than the original estimate.

As this change has occurred within the 12-month IFRS 3 measurement period post-completion, this is an adjustment to the acquisition accounting; recognition of a £8.2 million contingent consideration receivable has led to a corresponding reduction in goodwill.

DEFERRED INCENTIVE AWARDS

Deferred awards and contingent payments were granted to a group of IW&I employees under the Rathbones Integration Incentive Scheme. These payments require the recipients of the awards to remain in employment with the group for the duration of the respective deferral periods, and therefore these amounts have not been included in the accounting for the acquisition under IFRS 3 Business Combinations. The cost for these equity-settled awards is being charged to profit or loss in line with IFRS 2 and spread over their vesting periods.

In May and June 2024, two additional awards were granted to a group of employees from Rathbones Group Plc, conditional upon the delivery of the integration plan for Rathbones clients. The integration awards are payable in cash in 2025 and 2027 and have been recognised in line with IAS 19.

5 BUSINESS COMBINATIONS CONTINUED

The charge recognised in profit or loss for the above elements is as follows:

	Unaudited Six months to 30 June 2024 £m	Unaudited Six months to 30 June 2023 £m	Audited Year to 31 December 2023 £m
Incentivisation awards	**5.1**	—	4.8

SAUNDERSON HOUSE LIMITED

On 20 October 2021, the group acquired 100% of the ordinary share capital of the Saunderson House group.

DEFERRED PAYMENTS

The group continues to provide for the cost of other deferred and contingent payments to be made to individuals required to remain in employment with the group for the duration of the respective deferral periods, as set out in note 8 of the 2023 annual report and accounts.

All of these payments are to be made entirely in shares and are being accounted for as equity-settled share-based payments under IFRS 2.

The charge recognised in profit or loss for the above elements is as follows:

	Unaudited Six months to 30 June 2024 £m	Unaudited Six months to 30 June 2023 £m	Audited Year to 31 December 2023 £m
Initial share consideration	**0.9**	0.9	1.8
Incentivisation awards	**0.5**	0.7	2.1
Total consideration	**1.4**	1.6	3.9

6 ACQUISITION-RELATED AND INTEGRATION COSTS

	Unaudited Six months to 30 June 2024 £m	Unaudited Six months to 30 June 2023 £m	Audited Year to 31 December 2023 £m
Acquisition of Investec Wealth & Investment UK	**22.1**	11.2	36.5
Acquisition of Saunderson House	**2.7**	3.5	6.8
Acquisition of Speirs & Jeffrey	**—**	0.6	1.0
Acquisition and integration related costs	**24.8**	15.3	44.3

COSTS RELATING TO THE ACQUISITION OF INVESTEC WEALTH & INVESTMENT

The group has incurred the following costs in relation to the acquisition of IW&I, summarised by the following classification within the income statement:

	Unaudited Six months to 30 June 2024 £m	Unaudited Six months to 30 June 2023 £m	Audited Year to 31 December 2023 £m
Acquisition costs:			
Acquisition-related legal and advisory costs	**—**	11.2	21.3
Integration costs:			
Integration related staff costs	**15.5**	—	6.2
Other integration costs	**6.6**	—	9.0
	22.1	11.2	36.5

6 ACQUISITION-RELATED AND INTEGRATION COSTS CONTINUED

Non-staff acquisition costs (Legal and Advisory fees) of £nil (30 June 2023: £11.2 million; 31 December 2023: £21.3 million) and integration costs of £nil (30 June 2023: £nil million; 31 December 2023: £9.0 million) have not been allocated to a specific operating segment (note 4).

COSTS RELATING TO THE ACQUISITION OF SAUNDERSON HOUSE

The group has incurred the following costs in relation to the acquisition of Saunderson House:

	Unaudited Six months to 30 June 2024 £m	Unaudited Six months to 30 June 2023 £m	Audited Year to 31 December 2023 £m
Acquisition costs:			
Staff costs	**1.4**	1.6	3.9
Integration costs	**1.3**	1.9	2.9
	2.7	3.5	6.8

Non-staff acquisition and integration costs of £nil (30 June 2023: £1.9 million; 31 December 2023: £2.9 million) have not been allocated to a specific operating segment (note 4).

7 EMPLOYEE NUMBERS

The average number of employees during the period, on a full time equivalent basis, was as follows:

	Unaudited Six months to 30 June 2024	Unaudited Six months to 30 June 2023	Audited Year to 31 December 2023
Wealth Management	**2,240**	1,493	1,686
Asset Management	**56**	52	52
Shared services	**1,226**	594	760
	3,522	2,139	2,498

8 TAXATION

The tax expense for the six months ended 30 June 2024 was calculated based on the estimated average annual effective tax rate. The overall effective tax rate for this period was 30.3% (six months ended 30 June 2023: 24.2%; year ended 31 December 2023: 34.9%).

The effective tax rate reflects the disallowable costs of the deferred consideration payments in relation to the acquisitions of Speirs & Jeffrey, Saunderson House and IW&I, as well as property related costs arising on the lease assignment of 8 Finsbury Circus.

	Unaudited Six months to 30 June 2024 £m	Unaudited Six months to 30 June 2023 £m	Audited Year to 31 December 2023 £m
United Kingdom taxation	**22.2**	3.5	23.4
Overseas taxation excluding Pillar II income tax	**0.3**	0.3	0.5
Overseas taxation relating to Pillar II income tax	**0.1**	—	—
Deferred taxation	**(2.8)**	2.5	(3.8)
	19.8	6.3	20.1

The statutory UK corporation tax rate for the year ending 31 December 2024 is 25.0% (2023: average rate of 23.5%).

The UK Government legislated in the Finance Act 2021 to increase the UK corporation tax rate from 19.0% to 25.0% from 1 April 2023. This has been reflected in the deferred tax calculations. Deferred income taxes are calculated on all temporary differences under the liability method using the rate expected to apply when the relevant timing differences are forecast to unwind.

8 TAXATION CONTINUED

On 11 July 2023, the government of the United Kingdom, being the jurisdiction where the parent company is incorporated, enacted the Pillar II income taxes legislation effective from 1 January 2024. Under the legislation, the parent company will be required to pay, in the United

Kingdom, top-up tax on profits of its subsidiaries located in territories outside the United Kingdom that are taxed at an effective tax rate of less than 15.0%. As required by IAS 12 Income Taxes, Rathbones Group Plc has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar II income taxes.

9 DIVIDENDS

An interim dividend of 30.0p per share is payable on 1 October 2024 to shareholders on the register at the close of business on 6 September 2024. The interim dividend has not been included as a liability in this interim statement. A final dividend for 2023 of 24.0p per share was paid on 14 May 2024.

10 EARNINGS PER SHARE

Earnings used to calculate earnings per share on the bases reported in these condensed consolidated interim financial statements were:

	Unaudited Six months to 30 June 2024		Unaudited Six months to 30 June 2023		Audited Year to 31 December 2023	
	Pre-tax £m	**Post-tax £m**	Pre-tax £m	Post-tax £m	Pre-tax £m	Post-tax £m
Underlying profit attributable to equity holders	**112.1**	**83.4**	50.8	38.9	127.1	96.8
Charges in relation to client relationships and goodwill (note 14)	**(22.0)**	**(16.5)**	(9.5)	(7.3)	(25.2)	(19.3)
Acquisition-related and integration costs (note 6)	**(24.8)**	**(21.4)**	(15.3)	(11.9)	(44.3)	(40.0)
Profit attributable to equity holders	**65.3**	**45.5**	26.0	19.7	57.6	37.5

Basic earnings per share has been calculated by dividing profit attributable to equity holders by the weighted average number of shares in issue throughout the period, excluding own shares, of 103,695,582 (30 June 2023: 58,538,625; 31 December 2023: 71,269,129). This includes 17,481,868 convertible non-voting shares issued as consideration for the IW&I transaction. In total, 44,538,331 shares were issued as a result of the IW&I transaction on 21 September 2023.

Diluted earnings per share is the basic earnings per share, adjusted for the effect of contingently issuable shares under the Saunderson House initial share consideration and Executive Incentive Plan, Executive Share Performance Plan, employee share options remaining capable of exercise, expected shares to be issued under the Key Employee Equity Plan Support Function award, expected shares to be issued within the Rathbones Integration Incentive Award Scheme and any dilutive shares to be issued under the Share Incentive Plan, all weighted for the relevant period.

	Unaudited 30 June 2024	Unaudited 30 June 2023	Audited 31 December 2023
Weighted average number of ordinary shares in issue during the period	**103,695,582**	58,538,625	71,269,129
Effect of ordinary share options/Save As You Earn	**495,639**	558,416	443,865
Effect of dilutive shares issuable under the Share Incentive Plan	**2,233**	1,477	2,517
Effect of contingently issuable ordinary shares under the Executive Incentive Plan/Executive Share Performance Plan	**195,773**	597,431	294,770
Effect of contingently issuable shares under Saunderson House initial share consideration	**272,952**	272,952	272,952
Effect of expected shares to be issued under the Key Employee Equity Plan Support Function Award	**314,600**	—	314,600
Effect of expected shares to be issued under the Rathbones Integration Incentive Scheme Award	**1,276,744**	—	1,276,744
Diluted ordinary shares	**106,253,523**	59,968,901	73,874,577

10 EARNINGS PER SHARE CONTINUED

	Unaudited Six months to 30 June 2024	Unaudited Six months to 30 June 2023	Audited Year to 31 December 2023
Earnings per share for the period attributable to equity holders of the company:			
– basic	43.9p	33.6p	52.6p
– diluted	42.8p	32.8p	50.8p
Underlying earnings per share for the period attributable to equity holders of the company:			
– basic	80.4p	66.4p	135.8p
– diluted	78.5p	64.8p	131.0p

Underlying earnings per share is calculated in the same way as earnings per share, but by reference to underlying profit after tax attributable to shareholders. The tax rate applied has been adjusted for tax deductible non-underlying costs, resulting in an adjusted tax rate of 25.6% (30 June 2023: 23.4%; 31 December 2023: 23.8%).

11 LOANS AND ADVANCES TO CUSTOMERS

	Unaudited Six months to 30 June 2024 £m	Unaudited Six months to 30 June 2023 £m	Audited Year to 31 December 2023 £m
Overdrafts	23.6	15.1	9.7
Wealth Management loan book	93.5	124.6	101.7
Trust and financial planning debtors	2.9	3.6	2.6
Other debtors	0.3	0.1	1.6
	120.3	143.4	115.6

12 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the group purchased assets with a cost of £28.5 million (six months ended 30 June 2023: £0.6 million; year ended 31 December 2023: £5.1 million), relating to office fit-out and refurbishment costs.

Due to the shortened useful economic life of the fixtures and fittings at 8 Finsbury Circus following the assignment of the property lease, impairment charges of £0.6 million have been recognised within non-underlying costs in the period. In addition to this, additional depreciation charges of £1.1 million (31 December 2023: £1.7 million) have been recognised within non-underlying costs, which represents the net uplift in costs against the previous monthly charges prior to the lease assignment taking place.

13 RIGHT-OF-USE ASSETS

	Property £m	Motor vehicles and equipment £m	Total £m
Cost			
1 January 2024	**90.1**	**0.3**	**90.4**
Additions	**16.2**	**—**	**16.2**
Disposals	**(38.5)**	**—**	**(38.5)**
At 30 June 2024	**67.8**	**0.3**	**68.1**
Depreciation and impairment			
1 January 2024	**25.7**	**0.2**	**25.9**
Charge in the period	**5.9**	**—**	**5.9**
Disposals	**(15.3)**	**—**	**(15.3)**
At 30 June 2024	**16.3**	**0.2**	**16.5**
Carrying amount at 30 June 2024 (unaudited)	**51.5**	**0.1**	**51.6**
Carrying amount at 30 June 2023 (unaudited)	37.1	0.2	37.3
Carrying amount at 31 December 2023 (audited)	64.4	0.1	64.5

Following the acquisition of IW&I, the group's enlarged property portfolio was reviewed for leases that would require early termination. The most material impact is in relation to the London properties, where the group will vacate the property at 8 Finsbury Circus by 31 July 2024, prior to it's termination date, and relocate to office space at 30 Gresham Street. At the 2023 year end, the right-of-use asset in respect of the property at 8 Finsbury Circus was reviewed for impairment. An impairment charge of £2.1 million was recognised in non-underlying costs in 2023, and a further £0.4 million was recognised in the current period.

On 6 March 2024, the lease at 8 Finsbury Circus was assigned to a new tenant. As the original terms and conditions of the lease did not include an option to terminate the lease or reduce the lease term, this was treated as a lease modification. At the effective date of the modification, the lease liability was remeasured based on the remaining rental payments, the revised lease term and a revised incremental borrowing rate. The right-of-use asset was also revalued to reflect its reduced useful economic life. This resulted in a net gain to profit or loss of £12.9 million, which has been recognised in non-underlying costs.

In March 2024, the group entered into a lease agreement for additional floor space in the property at 30 Gresham Street. The cost of this lease represents a double-running of costs with 8 Finsbury Circus until that property is vacated. The property costs for the vacant properties which are not occupied by staff are recognised within non-underlying expenditure until the existing properties cease to be used and are vacated. At 30 June 2024, the IFRS 16 related property costs net of synergies for the group's London-based properties recognised as non-underlying comprised £0.2 million of depreciation charged on the right-of-use assets, and a net £0.2 million saving on interest charged on the lease liabilities. There were £0.8 million of ancillary property costs recognised within non-underlying costs in the period.

14 INTANGIBLE ASSETS

In 2023, goodwill of £340.1 million was recognised as part of the acquisition of IW&I (see note 5). During the period, goodwill was revalued to £332.6 million. A reduction of £8.2 million was attributable to the recognition of a contingent consideration receivable owed to the group by the seller (see note 2 for further detail). This was partially offset by a 0.7 million increase in goodwill attributable to a reduction in the acquired client relationship intangible assets and the related deferred tax liability (see below for further detail).

Goodwill has been provisionally allocated between the IW&I cash-generating unit ('CGU') and the Wealth Management group of CGUs in the year, before being reviewed for impairment. This allocation will be reviewed at 31 December 2024.

Client relationship intangible assets of £350.3 million were recognised as part of the acquisition of IW&I (see note 5). An average useful life of 14 years was assigned to these relationships, based on observed historic attrition rates. During the period, the intangible assets recognised on acquisition were re-measured in line with IFRS 3 and adjusted downwards by £1.2 million to reflect new information about facts and circumstances in existence at the acquisition date. The related deferred tax liability was reduced accordingly by £0.5 million.

14 **INTANGIBLE ASSETS** CONTINUED

	Goodwill £m	Client relationships £m	Software development costs £m	Purchased software £m	Total Intangible assets £m
Cost					
At 1 January 2024	**509.7**	**651.0**	**16.2**	**59.1**	**1,236.0**
Internally developed in the period	**—**	**—**	**0.4**	**—**	**0.4**
Purchased in the period	**—**	**5.0**	**—**	**1.5**	**6.5**
Remeasurement of business combination (note 5)	**(7.5)**	**(1.2)**	**—**	**—**	**(8.7)**
Disposals	**—**	**(0.9)**	**—**	**—**	**(0.9)**
At 30 June 2024	**502.2**	**653.9**	**16.6**	**60.6**	**1,233.3**
Amortisation and impairment					
At 1 January 2024	**1.9**	**148.3**	**11.8**	**48.7**	**210.7**
Charge in the period	**—**	**22.0**	**1.1**	**2.6**	**25.7**
Disposals	**—**	**(0.9)**	**—**	**—**	**(0.9)**
At 30 June 2024	**1.9**	**169.4**	**12.9**	**51.3**	**235.5**
Carrying value at 30 June 2024 (unaudited)	**500.3**	**484.5**	**3.7**	**9.3**	**997.8**
Carrying value at 30 June 2023 (unaudited)	167.7	167.1	3.1	9.3	347.2
Carrying value at 31 December 2023 (audited)	507.8	502.7	4.4	10.4	1,025.3

The total amount charged to profit or loss in the period, in relation to goodwill and client relationship intangible assets, was £22.0 million (six months ended 30 June 2023: £9.5 million; year ended 31 December 2023: £25.2 million)

IMPAIRMENT

The recoverable amounts of the operating segments to which goodwill is allocated are assessed for impairment using value-in-use calculations. The group prepares cash flow forecasts derived from the most recent financial budgets approved by the board, which cover the three year period from the end of the current financial year. This is extrapolated for five years based on recent historic annual revenue and cost growth for each group of CGUs, adjusted for significant historic fluctuations in industry growth rates where relevant, as well as the group's expectation of future growth.

A five-year extrapolation period is chosen as this aligns with the period covered by the group's Internal Capital Adequacy Assessment Process ('ICAAP') modelling. A terminal growth rate is applied to year five cash flows, which takes into account the net growth forecasts over the extrapolation period and the long-term average growth rate for the industry. The group estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the operating segments.

At 31 December 2023, the pre-tax rate used to discount the forecast cash flows was 14.1% for the Wealth Management operating segment and 15.0% for the IW&I operating segment. These are based on a risk-adjusted weighted average cost of capital. The group judges that these discount rates appropriately reflect the markets in which each operating segment operates.

There was no indication of impairment to the goodwill allocated to the Wealth Management operating segment or to the IW&I operating segment during the period. The group has considered any reasonably foreseeable changes to the assumptions used in the value-in-use calculations and the level of risk associated with the cash flow projections. Based on this assessment, no such change would result in an impairment of goodwill.

15 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred, variable costs to acquire client relationship intangibles £m	Deferred and contingent consideration in business combinations £m	Legal and professional, and compensation £m	Property-related £m	Onerous Contract £m	Total £m
At 1 January 2023	4.4	—	2.7	5.8	—	12.9
Charged to profit or loss	—	—	7.3	0.2	—	7.5
Unused amount credited to profit or loss	—	—	(0.3)	—	—	(0.3)
Net charge to profit or loss	—	—	7.0	0.2	—	7.2
Other movements	1.6	—	—	—	—	1.6
Utilised/paid during the period	(1.7)	—	(0.8)	—	—	(2.5)
At 30 June 2023 (unaudited)	4.3	—	8.9	6.0	—	19.2
Charged to profit or loss	—	—	1.8	—	1.2	3.0
Unused amount credited to profit or loss	—	(0.1)	(0.8)	—	—	(0.9)
Net charge to profit or loss	—	(0.1)	1.0	—	1.2	2.1
Acquisitions through business combinations (Note 5)	—	3.4	1.9	5.4	—	10.7
Other movements	1.0	—	—	—	—	1.0
Utilised/paid during the period	(0.6)	—	(6.9)	—	—	(7.5)
At 31 December 2023 (audited)	**4.7**	**3.3**	**4.9**	**11.4**	**1.2**	**25.5**
Charged to profit or loss	**—**	**—**	**(0.2)**	**12.9**	**—**	**12.7**
Unused amount credited to profit or loss	**—**	**—**	**(0.3)**	**(2.3)**	**—**	**(2.6)**
Net charge to profit or loss	**—**	**—**	**(0.5)**	**10.6**	**—**	**10.1**
Other movements	**5.0**	**—**	**0.4**	**—**	**—**	**5.4**
Utilised/paid during the period	**(5.2)**	**(0.7)**	**(0.7)**	**—**	**(1.2)**	**(7.8)**
At 30 June 2024 (unaudited)	**4.5**	**2.6**	**4.1**	**22.0**	**—**	**33.2**
Payable within one year	**0.2**	**2.6**	**3.5**	**15.0**	**—**	**21.3**
Payable after one year	**4.3**	**—**	**0.6**	**7.0**	**—**	**11.9**
At 30 June 2024 (unaudited)	**4.5**	**2.6**	**4.1**	**22.0**	**—**	**33.2**

DEFERRED, VARIABLE COSTS TO ACQUIRE CLIENT RELATIONSHIP INTANGIBLE ASSETS
Other movements in provisions relate to deferred payments to investment managers and third parties for the introduction of client relationships, which have been previously capitalised.

DEFERRED CONSIDERATION IN BUSINESS COMBINATIONS
Deferred Consideration in Business Combinations relates to Investec Wealth & Investment's deferred consideration provision on their acquisition of Murray Asset Management. The Share Centre deferred consideration provision was settled in March 2024, on transfer of the assets to Rathbones Asset Management Limited.

LEGAL AND PROFESSIONAL, AND COMPENSATION
During the ordinary course of business the group may, from time to time, be subject to complaints, as well as threatened and actual legal proceedings (which may include lawsuits brought on behalf of clients or other third parties) both in the UK and overseas. Any such material matters are periodically reassessed, with the assistance of external professional advisers where appropriate, to determine the likelihood of the group incurring a liability. In those instances where it is concluded that it is more likely than not that a payment will be made, a provision is established to the group's best estimate of the amount required to settle the obligation at the relevant statement of financial position date. The group's best estimate is based on legal advice and management's expectation of the most likely settlement outcome, which in some cases is calculated by external professional advisers. The timing of settlement of provisions for client compensation or litigation is dependent, in part, on the duration of negotiations with third parties.

PROPERTY-RELATED
Property-related provisions of £22.0 million relate to dilapidation provisions expected to arise on leasehold premises held by the group and a lease incentive payable in respect of 8 Finsbury Circus, which is discussed in further detail below (30 June 2023: £6.0 million; 31 December 2023: £11.4 million).

15 PROVISIONS FOR LIABILITIES AND CHARGES CONTINUED

During the six months ended 30 June 2024, the group utilised £nil in relation to dilapidations (30 June 2023: £nil; 31 December 2024: £nil). The impact of discounting led to an additional charge of £1.8 million (30 June 2023: additional charge of £0.2 million; 31 December 2023: additional charge of £0.2 million) being recognised during the period.

On 6 March 2024, the group assigned its lease at 8 Finsbury Circus to a new tenant. As part of the sale contract, the group agreed to pay a reverse premium of £11.2 million to the new tenant when the property is vacated on completion. £7.5 million of this total is to be held in escrow and drawn down by the tenant over 2 years on the anniversary of the completion date. As payment is probable and the group has a present obligation to fulfil the obligation, a provision for the full amount was recognised in the period. The charge to profit or loss has been recognised within non-underlying costs.

At the date the lease was assigned, all existing liabilities transferred to the new tenant, including the group's £2.3 million dilapidations obligation relating to the property. As payment by the group is no longer probable, a present obligation to recognise a provision no longer exists. Therefore, this liability was released to profit or loss in the period; this gain has been recognised in non-underlying costs.

As part of the lease assignment, the group agreed to enter into an Authorised Guarantee Agreement, which holds the group liable to the landlord for any rental payments that the new tenant may default on over the remaining nine-year lease term. Due to the assumed low probability of default by the tenant and the option for the group to reassign the lease in case of a default, no liability has been recognised in relation to this agreement.

See note 13 for further detail of lease modifications in the period relating to the group's London properties.

ONEROUS CONTRACT

In 2023, the group terminated a support agreement with a third-party service provider. The onerous element of the contract represented a cost of £1.2 million to the group, which was recognised as a provision at the year end. This provision has been settled in full during the period.

AMOUNTS PAYABLE AFTER ONE YEAR

Property-related provisions of £7.0 million are expected to be settled within 11 years of the statement of financial position date, which corresponds to the longest lease for which a dilapidations provision is being held. Remaining provisions payable after one year are expected to be settled within ten years of the statement of financial position date.

16 SUBORDINATED LOAN NOTES

	Unaudited 30 June 2024 £m	Unaudited 30 June 2023 £m	Audited 31 December 2023 £m
Subordinated loan notes			
– face value	**40.0**	40.0	40.0
– carrying value	**39.9**	39.9	39.9

Rathbones Group Plc holds £39.9 million of 10-year tier 2 notes with a call option in October 2026 and annually thereafter. Interest is payable at a fixed rate of 5.642% per annum until the first call option date in 2026, and at a fixed rate of 4.893% over Compounded Daily SONIA thereafter. Legal fees of £0.1m were incurred in issuing the notes, which have been accounted for in the carrying value of amortised cost.

17 LONG-TERM EMPLOYEE BENEFITS

The group operates two defined benefit pension schemes providing benefits based on pensionable salary for staff employed by the company. For the purposes of calculating the pension benefit obligations, the following assumptions have been used:

	Unaudited 30 June 2024 % p.a.	Unaudited 30 June 2023 % p.a.	Audited 31 December 2023 % p.a.
Rate of increase of pensions in payment:			
– Laurence Keen Scheme	**3.70**	3.60	3.70
– Rathbone 1987 Scheme	**3.00**	3.20	2.90
Rate of increase of deferred pensions	**3.20**	3.30	3.10
Discount rate	**5.10**	5.10	4.40
Inflation*	**3.20**	3.30	3.10
Percentage of members transferring out of the schemes per annum	**2.00**	2.00	2.00
Average age of members at date of transferring out (years)	**52.50**	52.50	52.50
Average duration of defined benefit obligation (years):			
– Laurence Keen Scheme	**12.00**	12.00	12.00
– Rathbone 1987 Scheme	**16.00**	16.00	16.00

* Inflation assumptions are based on the Retail Price Index

	Unaudited 30 June 2024		Unaudited 30 June 2023		Audited 31 December 2023	
	Males	**Females**	Males	Females	Males	Females
Retiring today	**22.9**	**24.6**	23.4	25.0	22.8	24.5
Retiring in 20 years	**24.4**	**26.2**	24.9	26.7	24.3	26.1

The amount included in the statement of financial position arising from the group's obligations in respect of the schemes is as follows:

	Unaudited 30 June 2024		Unaudited 30 June 2023		Audited 31 December 2023	
	Rathbone 1987 Scheme £m	**Laurence Keen Scheme £m**	Rathbone 1987 Scheme £m	Laurence Keen Scheme £m	Rathbone 1987 Scheme £m	Laurence Keen Scheme £m
Present value of defined benefit obligations	**(85.1)**	**(6.6)**	(85.8)	(6.9)	(93.8)	(7.3)
Fair value of scheme assets	**85.3**	**6.8**	91.9	7.8	99.9	8.2
Total surplus	**0.2**	**0.2**	6.1	0.9	6.1	0.9

On 9 April 2024 both Schemes invested in a bulk annuity policy to match their liabilities as part of a "buy-in" process. The Schemes' assets are now therefore almost entirely invested in the bulk policies, with some residual funds in the Schemes' bank accounts. In accordance with IAS 19, the fair value of the bulk annuity policies has been calculated to be equal to the value of the liabilities the policies cover.

The group made lump sum contributions into its pension schemes totalling £3.7 million during the period (30 June 2023: £0.2 million; 31 December 2023: £3.0 million).

Following the purchase of the bulk annuities which match the Schemes' liabilities, the risks relating to interest rates, inflation and mortality, have been transferred to the insurer. The residual risks to the group arising from both schemes are in respect of counterparty default risk and the risk that there are changes to the premium.

17 LONG-TERM EMPLOYEE BENEFITS CONTINUED

The analysis of the scheme assets, measured at bid prices, at the statement of financial position date was as follows;

Rathbone 1987 Scheme	**Unaudited six months to 30 June 2024 £m**	Unaudited six months to 30 June 2023 £m	Audited year to 31 December 2023 £m	**Unaudited six months to 30 June 2024 %**	Unaudited six months to 30 June 2023 %	Audited year to 31 December 2023 %
Equity instruments	**—**	—	—	**—**	—	—
Debt instruments	**—**	—	—	**—**	—	—
Self Sufficiency Credit Funds	**—**	90.0	98.4	**—**	98.0	99.0
Cash	**0.2**	1.9	1.5	**0.2**	2.0	1.0
Annuities	**85.1**	—	—	**99.8**	—	—
At period end	**85.3**	91.9	99.9	**100.0**	100.0	100.0

Laurence Keen Scheme	**Unaudited six months to 30 June 2024 £m**	Unaudited six months to 30 June 2023 £m	Audited year to 31 December 2023 £m	**Unaudited six months to 30 June 2024 %**	Unaudited six months to 30 June 2023 %	Audited year to 31 December 2023 %
Equity instruments	**—**	—	—	**—**	—	—
Debt instruments – United Kingdom corporate bonds	**—**	0.3	0.4	**—**	4.0	5.0
Self Sufficiency Credit Funds	**—**	7.3	7.7	**—**	93.0	93.0
Cash	**0.3**	0.2	0.1	**4.4**	3.0	2.0
Annuities	**6.5**	—	—	**95.6**	—	—
At period end	**6.8**	7.8	8.2	**100.0**	100.0	100.0

18 SHARE CAPITAL, SHARE PREMIUM AND MERGER RESERVE

The following movements in share capital, share premium and the merger reserve occurred during the period:

	Number of voting ordinary shares	Number of non-voting ordinary shares	Exercise price pence	Share capital £m	Share premium £m	Merger reserve £m	Total £m
At 1 January 2023	63,394,837	—		3.2	310.0	77.0	390.1
Shares issued:							
– to Share Incentive Plan	38,544	—	1,574.0 – 2,160.0	—	0.8	—	0.8
– to Save As You Earn scheme	—	—	—	—	—	—	—
– to Employee Benefit Trust	—	—	—	—	—	—	—
At 30 June 2023 (unaudited)	**63,433,381**	**—**	**—**	**3.2**	**310.8**	**77.0**	**390.9**
Shares issued:							
– in relation to business combinations	27,056,463	17,481,868	1,635.9 – 1,722.0	2.2	—	747.4	749.6
– to Share Incentive Plan	94,285	—	1,574.0 – 2,160.0	—	1.5	—	1.5
– to Save As You Earn scheme	—	—	—	—	—	—	—
At 31 December 2023 (audited)	**90,584,129**	**17,481,868**	**—**	**5.4**	**312.3**	**824.4**	**1,142.1**
Shares issued:							
– to Share Incentive Plan	139,206	—	1,556.0 – 1,790.0	—	2.3	—	2.3
– to Save As You Earn scheme	4,809	—	1,365.0	—	0.1	—	0.1
– to Employee Benefit Trust	69,000	—	5.0	—	—	—	—
At 30 June 2024 (unaudited)	**90,797,144**	**17,481,868**	**—**	**5.4**	**314.7**	**824.4**	**1,144.5**

On 21 September 2023, the company issued to Investec Bank plc 27,056,463 of ordinary shares at £17.22 per share, and 17,481,868 of convertible non-voting ordinary shares at £16.36 per share.

Share issue costs of £2.2 million were offset against the merger reserve.

At 30 June 2024, the group held 4,612,655 own shares (30 June 2023: 4,122,553; 31 December 2023: 4,443,517).

19 SHARE-BASED PAYMENTS

The group recognised total expenses of £14.8 million (30 June 2023: £10.7 million, 31 December 2023: £24.0 million) in relation to share-based payment transactions in the period. This includes the staff costs in relation to the acquisitions of Speirs & Jeffrey, Saunderson House and IW&I, reported within acquisition—related costs (note 6).

20 FINANCIAL INSTRUMENTS

FAIR VALUE MEASUREMENT

The table below analyses the group's financial instruments measured at fair value into a fair value hierarchy based on the valuation technique used to determine the fair value.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data.

At 30 June 2024 (unaudited)	**Level 1 £m**	**Level 2 £m**	**Level 3 £m**	**Total £m**
Financial assets				
Fair value through profit or loss:				
– equity securities	—	—	—	—
	—	—	—	—

At 30 June 2023 (unaudited)	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets				
Fair value through profit or loss:				
– equity securities	—	—	3.1	3.1
	—	—	3.1	3.1

At 31 December 2023 (audited)	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets				
Fair value through profit or loss:				
– equity securities	—	—	1.2	1.2
	—	—	1.2	1.2

The group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There have been no transfers between levels during the period.

The fair values of the group's other financial assets and liabilities not measured at fair value are not materially different from their carrying values with the exception of the following:

- Debt securities that are classified and measured at amortised cost comprise bank and building society certificates of deposit, which have fixed coupons, and treasury bills. The fair value of debt securities at 30 June 2024 was £1,393.4 million (30 June 2023: £1,234.2 million; 31 December 2023: £1,296.8 million) and the carrying value was £1,392.9 million (30 June 2023: £1,233.8 million; 31 December 2023: £1,294.6 million). Fair value is based on market bid prices and hence would be categorised as level 1 within the fair value hierarchy.
- Subordinated loan notes (note 16) represent Tier 2 capital for regulatory capital purposes. The fair value of the loan notes at 30 June 2024 was £35.5 million (30 June 2023: £37.3 million; 31 December 2023: £37.4 million) and the carrying value was £39.9 million (30 June 2023: £39.9 million; 31 December 2023: £39.9 million). Fair value of the loan notes is based on discounted future cash flows using current market rates for debts with similar remaining maturity, and hence would be categorised as level 2 within the fair value hierarchy.

LEVEL 3 FINANCIAL INSTRUMENTS

FAIR VALUE THROUGH PROFIT OR LOSS

At 31 December 2023, the group held 517 shares in Euroclear Holdings SA (which were valued at £1.2 million by reference to the price secured from the sale of 1,292 of the group's shares during 2023), which are classed as Level 3 in the fair value hierarchy, since readily available observable market data is not available.

During the six months to 30 June 2024, the group sold its total remaining shares in Euroclear at the same price used to value its shareholding at 31 December 2023.

20 FINANCIAL INSTRUMENTS CONTINUED

Changes in the fair values of financial instruments categorised as level 3 within the fair value hierarchy were as follows:

	Unaudited Six months to 30 June 2024 £m	Unaudited Six months to 30 June 2023 £m	Audited Year to 31 December 2023 £m
At 1 January	**1.2**	3.2	3.1
Total unrealised gains/(losses) recognised in profit or loss	**—**	(0.1)	1.0
Total disposals	**(1.2)**	—	(2.9)
At end of period	**—**	3.1	1.2

EXPECTED CREDIT LOSS PROVISION

The expected credit loss provision is recalculated on a quarterly basis and recognised in the statement of financial position. The provision calculated is immaterial.

21 CONTINGENT LIABILITIES AND COMMITMENTS

(a) Indemnities are provided in the normal course of business to a number of directors and employees who provide tax and trust advisory services in connection with them acting as trustees and/or directors of client companies and providing other services.

(b) Capital expenditure authorised and contracted for at 30 June 2024 but not provided for in the condensed consolidated interim financial statements amounted to £14.2 million (30 June 2023: £0.5 million; 31 December 2023: £14.0 million).

(c) The contractual amounts of the group's commitments to extend credit to its clients are as follows:

	Unaudited 30 June 2024 £m	Unaudited 30 June 2023 £m	Audited 31 December 2023 £m
Undrawn commitments to lend of one year or less	**14.5**	15.9	11.8
Undrawn commitments to lend of more than one year	**0.6**	5.6	3.6
	15.1	21.5	15.4

(d) The arrangements put in place by the Financial Services Compensation Scheme (FSCS) to protect depositors and investors from loss in the event of failure of financial institutions may result in significant levies on the industry. The financial impact of unexpected FSCS levies is largely out of the group's control as they result from other industry failures.

There is uncertainty over the level of future FSCS levies as they depend on the ultimate cost to the FSCS of industry failures. The group contributes to the deposit class, investment fund management class and investment intermediation levy classes, and accrues levy costs for future levy years when the obligation arises.

22 CASH AND CASH EQUIVALENTS

For the purpose of the consolidated interim statement of cash flows, cash and cash equivalents comprise the following balances with less than three months until maturity from the date of acquisition:

	Unaudited 30 June 2024 £m	Unaudited 30 June 2023 £m	Audited 31 December 2023 £m
Cash and balances at central banks	**1,033.0**	1,139.0	1,036.0
Loans and advances to banks	**230.3**	98.3	266.9
	1,263.3	1,237.3	1,302.9

22 CASH AND CASH EQUIVALENTS CONTINUED

Cash flows arising from issue of ordinary shares comprise:

	Unaudited Six months to 30 June 2024 £m	Unaudited Six months to 30 June 2023 £m	Audited Year to 31 December 2023 £m
Share capital issued (note 18)	—	—	2.2
Share premium on shares issued (note 18)	2.4	0.8	2.3
Merger reserve on shares issued (note 18)	—	—	747.4
Shares issued in relation to share-based schemes for which no cash consideration was received	—	—	(751.9)
Proceeds from issue of share capital	2.4	0.8	—
Shares repurchased and placed into the employee benefit trust	(8.9)	(6.7)	(16.0)
Net repurchase of ordinary shares	(6.5)	(5.9)	(16.0)

In 2023, £751.9 million of shares were issued as consideration of the IW&I transaction. There was no cash consideration received for this transaction.

During the current period, £8.9 million of shares were repurchased and placed into the group employee benefit trust (30 June 2022: £6.7 million; 31 December 2023: £16.0 million).

23 RELATED PARTY TRANSACTIONS

The key management personnel of the group are defined as the company's directors and other members of senior management who are responsible for planning, directing and controlling the activities of the group.

Dividends totalling £0.1 million were paid in the period (six months ended 30 June 2023: £0.2 million; year ended 31 December 2023: £0.3 million) in respect of ordinary shares held by key management personnel.

At 30 June 2024, key management personnel and their close family members had gross outstanding deposits of £2.2 million (30 June 2023: £2.0 million; 31 December 2023: £1.0 million). A number of the company's directors and their close family members make use of the services provided by companies within the group. Charges for such services are made at various staff rates.

As a result of the IW&I transaction on 21 September 2023, Rathbones Group Plc is an associate of Investec Bank plc. Investec Bank plc currently provide services to Rathbones Group Plc under a Transitional Services Agreement (TSA), entered into on acquisition of IW&I. In April 2024 an Outsourced Service Agreement (OSA) was established.

As at 30 June 2024 there was a net payable balance with Investec Bank plc of £16.9 million (30 June 2023: £nil; 31 December 2023: £8.3 million). The balance outstanding as at the reporting date is predominantly related to IW&I employee salary costs and associated payroll taxes which are outsourced to Investec Bank plc under the TSA.

The total expense recognised for TSA and OSA services in the period are as follows:

	Unaudited Six months to 30 June 2024 £m	Unaudited Six months to 30 June 2023 £m	Audited Year to 31 December 2023 £m
Expense incurred under TSA	6.5	—	4.8
Expense incurred under OSA	4.5	—	—
	11.0	—	4.8

23 RELATED PARTY TRANSACTIONS CONTINUED

IW&I partially sublets certain regional office space to Investec Bank plc subsidiary companies and charges Investec Bank plc for the use of research. Total fees receivable under these arrangements at 30 June 2024 are as follows:

	Unaudited Six months to 30 June 2024 £m	Unaudited Six months to 30 June 2023 £m	Audited Year to 31 December 2023 £m
Research fees	**0.3**	—	0.3
Property fees	**0.2**	—	0.1
	0.5	—	0.4

One group subsidiary, Rathbones Asset Management Limited, has authority to manage the investments within a number of unit trusts. During the first half of 2024, the group managed 28 unit trusts, Sociétés d'Investissement à Capital Variable (SICAVs) and open-ended investment companies (OEICs) (together, 'collectives') (six months ended 30 June 2023: 26 collectives; year ended 31 December 2023: 28 collectives).

The group charges each fund an annual management fee for these services, but does not earn any performance fees on the unit trusts. The management charges are calculated on the bases published in the individual fund prospectuses, which also state the terms and conditions of the management contract with the group.

The following transactions and balances relate to the group's interest in the unit trusts:

	Unaudited Six months to 30 June 2024 £m	Unaudited Six months to 30 June 2023 £m	Audited Year to 31 December 2023 £m
Total management fees	**40.4**	33.8	69.6

Total management fees are included within 'fee and commission income' in the consolidated interim statement of comprehensive income.

	Unaudited Six months to 30 June 2024 £m	Unaudited Six months to 30 June 2023 £m	Audited Year to 31 December 2023 £m
Management fees owed to the group	**6.9**	5.9	6.5

Management fees owed to the group are included within 'accrued income' and holdings in unit trusts were classified as 'fair value through profit or loss' in the consolidated interim statement of financial position. The maximum exposure to loss is limited to the carrying amount on the consolidated interim statement of financial position as disclosed above.

All amounts outstanding with related parties are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

24 EVENTS AFTER THE BALANCE SHEET DATE

An interim dividend of 30.0p per share was declared on 30 July 2024 (note 9).

There have been no other material events occurring between the balance sheet date and 30 July 2024.

REGULATORY CAPITAL

As a banking group, Rathbones is required to operate in accordance with the requirements relating to capital resources and banking exposures prescribed by the Capital Requirements Regulation, as applied in the UK by the Prudential Regulation Authority (PRA).

The group is required to ensure it maintains adequate capital resources to meet its combined Pillar 1, Pillar 2 requirements and buffer requirements.

The increase in own funds in the period of £16.2 million was largely attributable to a reduction in intangible assets (£22.5 million) and the pension asset (£6.6 million). This was offset by a £9.8 million reduction in reserves, which resulted from share-based awards vesting, and an increase of £5.5 million in own shares held. This resulted in a capital surplus at 30 June 2024 of £145.6 million, up from £134.5 million at 31 December 2023.

REGULATORY OWN FUNDS

The group's regulatory own funds (excluding profits for the six months ended 30 June, which have not yet been independently verified, but including independently verified profits to 31 December) are shown in the table below:

	Unaudited 30 June 2024 £m	Unaudited 30 June 2023 £m	Unaudited 31 December 2023 £m
Share capital and share premium	**320.1**	314.0	317.7
– Reserves	**1,078.3**	337.3	1,088.1
Less:			
– prudent valuation of assets held at fair value through profit or loss	**—**	—	—
– own shares	**(61.1)**	(47.9)	(55.6)
– intangible assets (net of deferred tax)	**(889.3)**	(318.6)	(911.8)
– pension asset	**(0.4)**	(7.0)	(7.0)
Total Common Equity Tier 1 capital	**447.6**	277.8	431.4
Tier 2 capital	**40.0**	40.0	40.0
Total own funds	**487.6**	317.8	471.4

The group's own funds requirements were as follows:

	Unaudited 30 June 2024 £m	Unaudited 30 June 2023 £m	Unaudited 31 December 2023 £m
Own funds requirement for credit risk, counterparty credit risk and settlement risk	**75.6**	60.1	72.3
Own funds requirement for market risk	**—**	—	—
Own funds requirement for operational risk	**121.8**	65.9	121.7
Pillar 1 own funds requirement	**197.4**	126.0	194.0
Pillar 2A own funds requirement	**39.5**	39.6	39.4
Total Pillar 1 and 2A own funds requirement	**236.9**	165.6	233.4
CRD IV buffers:			
– capital conservation buffer (CCB)	**61.7**	39.4	60.6
– countercyclical capital buffer (CCyB)	**43.4**	14.7	42.9
Total Pillar 1 and 2A own funds requirement and CRD IV buffers	**342.0**	219.7	336.9
Total capital surplus	**145.6**	98.1	134.5

OWN FUNDS REQUIREMENTS

The group is required to hold capital to cover a range of own funds requirements, classified as Pillar 1, Pillar 2 and buffers.

PILLAR 1 – OWN FUNDS REQUIREMENT

Pillar 1 determines a total risk exposure amount (also known as 'risk-weighted assets') for the group, taking into account expected losses in respect of the group's exposure to credit, counterparty credit, market and operational risks, and sets a minimum requirement for the amount of capital the group must hold.

At 30 June 2024, the group's risk-weighted assets were £2,467.4 million (30 June 2023: £1,575.7 million; 31 December 2023: £2,425.6 million).

PILLAR 2A – OWN FUNDS REQUIREMENT

The Pillar 2 requirement supplements the Pillar 1 minimum requirement with firm-specific Pillar 2A requirements and a framework of regulatory capital buffers.

The Pillar 2A own funds requirement is set by the PRA as part of its supervisory review process and the calculation of it remains confidential to the PRA. The requirement reflects those risks that are specific to the firm that are not fully captured under the Pillar 1 own funds requirement. The group-specific risks that are reflected in the Pillar 2A requirement are set out below:

PENSION OBLIGATION RISK

The potential for additional unplanned capital strain or costs that the group would incur in the event of a significant deterioration in the funding position of the group's defined benefit pension schemes. See note 17 for further detail on the movement in the year to the net defined benefit pension asset and the pension buy-in in the period.

INTEREST RATE RISK IN THE BANKING BOOK

The group operates on a non-trading book basis, whereby all assets held are with the intent of holding to maturity. Assets are not actively traded in secondary markets for speculative purposes. The resulting interest rate risk represents losses that could arise for a 2% parallel shift in the Bank of England base rate. The exposure would measure the time to reprice interest bearing assets and liabilities.

CONCENTRATION RISK

Greater potential exposure as a result of the concentration of borrowers located in the UK than other overseas jurisdictions.

The group is also required to maintain a number of regulatory capital buffers, all of which must be met with CET1 capital.

CAPITAL CONSERVATION BUFFER (CCB)

The CCB is a general buffer, designed to provide for losses in the event of a stress, and is set by the PRA. The CCB is set at 2.5% of the group's total risk exposure amount as at 30 June 2024.

COUNTERCYCLICAL CAPITAL BUFFER (CCYB)

The CCyB is designed to act as an incentive for banks to constrain credit growth in times of heightened systemic risk. The value of the buffer is calculated as a percentage of the group's total risk exposure amount. For UK credit risk exposures, the percentage rate that applies is set by the Financial Policy Committee ('FPC'). For other jurisdictions where the group has exposures, the percentage rate applicable to each jurisdiction is applied.

The percentage buffer rate for UK exposures is currently 2.0%. The group has relevant credit exposures in other jurisdictions where a different rate applies, resulting in a weighted rate of 1.76% as at 30 June 2024.

ALTERNATIVE PERFORMANCE MEASURES

Alternative Performance Measures (APM) are financial measures of historical or future financial performance, financial position, or cash flow, other than a financial measure under IFRS.

The following table provides a reconciliation of underlying performance measures to the closest equivalent IFRS measure;

	Unaudited 30 June 2024 £m	Unaudited 30 June 2023 £m	Audited 31 December 2023 £m
Operating income	**447.4**	238.0	571.1
Underlying operating expenses	**(335.3)**	(187.2)	(444.0)
Underlying profit before tax[1]	**112.1**	50.8	127.1
Charges in relation to client relationships and goodwill	**(22.0)**	(9.5)	(25.2)
Acquisition-related costs	**(24.8)**	(15.3)	(44.3)
Profit before tax	**65.3**	26.0	57.6
Taxation	**(19.8)**	(6.3)	(20.1)
Profit after tax	**45.5**	19.7	37.5
Operating margin	**14.6%**	10.9%	10.1%
Underlying operating margin[2]	**25.1%**	21.3%	22.3%
Weighted average number of shares in issue	**103.7m**	58.5m	71.3m
Earnings per share (p)	**43.9**	33.6	52.6
Underlying earnings per share (p)[3]	**80.4**	66.4	135.8

1. Operating income less underlying operating expense
2. Underlying profit before tax as a percentage of operating income
3. Underlying profit after tax divided by the weighted average number of shares in issue

INTEGRATION SYNERGIES (GROUP CEO'S REVIEW)

Cost synergies arising in relation to the integration of Rathbones and IW&I are quantified by reference to the cost base for the 2022 financial year, being the baseline for synergy measurement. Synergies are deemed to have been delivered at the point the related action has been implemented. The term 'run rate' refers to the annual cost saving that will arise from the point of delivery onwards.

CHARGES IN RELATION TO CLIENT RELATIONSHIP INTANGIBLE ASSETS AND GOODWILL (NOTE 14)

As explained in notes 1.14 and 2.1 of the annual report and accounts for the year ended 31 December 2023, client relationship intangible assets are recognised when the group acquires a business or investment management contracts as a result of the recruitment of experienced investment managers who have the capability to attract significant FUMA to the group.

These intangible assets are amortised over the expected duration of the respective client relationships. The amortisation is charged to the income statement each year. This represents a significant non-cash profit and loss item which is therefore excluded from underlying profit in order to present an alternative measure that represents largely cash-based results of the financial reporting period. Research analysts commonly exclude these amortisation costs when comparing the performance of firms in the wealth management industry.

ACQUISITION-RELATED COSTS (NOTE 6)

Acquisition and integration related costs are significant non-recurring costs which arise from strategic investments to grow the business rather than from the business' operating activities and are therefore excluded from underlying results.

These costs primarily comprise professional fees directly related to the execution of the relevant transaction, certain elements of deferred consideration which are conditional upon continuing employment with the group and the costs of integrating the acquired businesses with those of the existing group.

Deferred consideration costs are generally significant payments that form part of the total consideration payable under the terms of the acquisition agreement and are considered to be capital in nature, reflecting the cost to acquire the business and the transfer of its ownership. However, in accordance with IFRS 3, any deferred consideration that is payable to former shareholders of the acquired business who are required to remain in employment with the group must be treated as remuneration and are therefore expensed to the income statement over the period to which the employment condition applies.

During the six months ending 30 June 2024, £6.5 million of deferred consideration payments (30 June 2023: £2.2 million; 31 December 2023: £9.7 million) and £18.3 million of integration costs (30 June 2023: £13.1 million; 31 December 2023: £34.6 million) were charged to the income statement.

TAXATION (NOTE 8)

The corporation tax charge for the six months ended 30 June 2024 was £19.8 million (30 June 2022: £6.3 million; 31 December 2023: £20.1 million) (see note 8). The effective tax rate for the period ended 30 June 2024 is 30.3% (30 June 2023: 24.2%; 31 December 2023 34.9%). The effective tax rate reflects the disallowable costs of the deferred consideration payments in relation to the acquisitions of Speirs & Jeffrey, Saunderson House and IW&I, as well as property related costs arising on the lease assignment of 8 Finsbury Circus.

BASIC EARNINGS PER SHARE (NOTE 10)

Basic earnings per share for the six months ended 30 June 2024 were 43.9p (30 June 2023: 33.6p; 31 December 2023: 52.6p). The increase in the period reflects the growth in profit as a result of the IW&I merger which has been partially offset by the increased number of shares and the increase in the statutory rate of tax.

On an underlying basis, basic earnings per share were 80.4p at 30 June 2024, compared to 66.4p at 30 June 2023 (31 December 2023: 135.8p). The increase in the period is due to increased underlying profit after tax which has been partially offset by the increased number of shares and the increase in the statutory rate of tax.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE INTERIM STATEMENT

CONFIRMATIONS BY THE BOARD
We confirm to the best of our knowledge:

– the condensed set of financial statements has been prepared in accordance with United Kingdom adopted International Accounting Standard 34;
– the interim management report includes a fair view of the information required by:

(a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

(b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

GOING CONCERN BASIS OF PREPARATION
Details of the group's results, cash flows and resources, together with an update on the risks it faces and other factors likely to affect its future development, performance and position, are set out in this interim management report.

Group companies are regulated by the PRA and FCA and perform annual capital adequacy and liquidity assessments, which include the modelling of certain extreme stress scenarios. The group publishes Pillar 3 disclosures annually on its website, which provide further detail about its regulatory capital resources and requirements. During the first half of 2024, and as at 30 June 2024, the group was primarily equity-financed, with a small amount of gearing in the form of the Tier 2 debt.

The group's financial projections and the capital adequacy and liquidity assessments provide comfort that the group has adequate financial and regulatory resources to continue in operational existence for the foreseeable future. Accordingly, we continue to adopt the going concern basis of accounting in preparing the condensed consolidated interim financial statements. In forming our view, we have considered the company's prospects for a period exceeding 12 months from the date the condensed consolidated interim financial statements are approved.

By order of the board

Paul Stockton
Group Chief Executive Officer

30 July 2024

INDEPENDENT REVIEW REPORT TO RATHBONES GROUP PLC

CONCLUSION

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 2024 which comprises the consolidated interim statement of comprehensive income, consolidated interim statement of changes in equity, consolidated interim statement of financial position and consolidated interim statement of cash flows and related notes 1 to 24.

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 2024 is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

BASIS FOR CONCLUSION

We conducted our review in accordance with International Standard on Review Engagements (UK) 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 (ISRE (UK) 2410). A review of interim financial information consists of making inquiries, 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.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with United Kingdom adopted international financial reporting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with United Kingdom adopted International Accounting Standard 34, "Interim Financial Reporting".

CONCLUSION RELATING TO GOING CONCERN

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This Conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410; however future events or conditions may cause the entity to cease to continue as a going concern.

RESPONSIBILITIES OF THE DIRECTORS

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, 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 company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE REVIEW OF THE FINANCIAL INFORMATION

In reviewing the half-yearly financial report, we are responsible for expressing to the company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our Conclusion, including our Conclusion Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

USE OF OUR REPORT

This report is made solely to the company in accordance with ISRE (UK) 2410. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review 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, for our review work, for this report, or for the conclusions we have formed.

Deloitte LLP
Statutory Auditor

London, United Kingdom

30 July 2024