

Company number: 07632131

## **RAB Capital Holdings Limited**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS 31 December 2020**

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# **RAB Capital Holdings Limited**

**31 December 2020**

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# **RAB Capital Holdings Limited**

## **COMPANY INFORMATION** **31 December 2020**

### **DIRECTORS**

Michael Alen-Buckley  
Christopher de Mattos  
William Philip Richards  
Andrew Knatchbull

### **SECRETARY**

Andrew Knatchbull

### **REGISTERED OFFICE**

6 Kilmington Close  
Brentwood  
Essex  
CM13 2JZ

### **REGISTERED NUMBER**

07632131

### **AUDITOR**

MHA MacIntyre Hudson  
6th Floor  
2 London Wall Place  
London  
EC2Y 5AU

## RAB Capital Holdings Limited

### DIRECTORS' REPORT 31 December 2020

The Directors present their report and the audited consolidated financial statements of RAB Capital Holdings Limited for the year ended 31 December 2020.

#### PRINCIPAL ACTIVITY

RAB Capital Holdings Limited (the "Company", or together with its subsidiaries referred to as the "Group" or "RAB") is the holding company of a specialist investment management company, RAB Capital Limited, Leumas (Jersey) Limited, property joint ventures, including L D Developments Limited, a natural resources focused joint venture, Musgrave Financial Limited and a vineyard, Doolhof Wine Estates (Pty) Ltd. The Company is registered in England and Wales, Company Number 07632131. RAB Capital Limited was authorised by the Financial Conduct Authority as an Alternative Investment Fund Manager under the Alternative Investment Fund Manager Directive ("AIFMD") until 23 January 2018.

Future developments and financial instruments are discussed in the Strategic Report.

#### DIVIDENDS

The Directors declared interim dividends of 1p per ordinary share during the year totalling £2.0 million (2019: £nil). The Directors do not propose the payment of a final dividend (2019: £nil).

#### DIRECTORS

The following Directors held office during the year and as at the date of this report:

	Appointed (if in period)	Resigned (if in period)
Michael Alen-Buckley		
Christopher de Mattos		
William Philip Richards		
Andrew Knatchbull	17/03/2020	

#### AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and MHA MacIntyre Hudson LLP will therefore continue in office.

#### PROVISION OF INFORMATION TO THE COMPANY'S AUDITOR

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditor is unaware and that each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information. The confirmation is given and shall be interpreted in accordance with the provisions of S418 of the Companies Act 2006.



Michael Alen-Buckley  
Executive Chairman

21 September 2021

## **RAB Capital Holdings Limited**

### **DIRECTORS' REPORT 31 December 2020**

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT AND THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare group and parent company financial statements for each financial year. Under that law they have elected to prepare both the group and the parent company financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of the group's profit or loss for that period. In preparing each of the group and parent company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.



**Michael Alen-Buckley**  
Executive Chairman

21 September 2021

## RAB Capital Holdings Limited

GROUP STRATEGIC REPORT  
31 December 2020

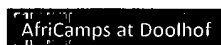
### SUBSTANTIAL SHAREHOLDINGS (>10% of equity)



Hibernia Star  
Limited



### JOINT VENTURES AND SUBSIDIARIES



L D Developments Limited

Musgrave Financial Limited

Musgrave Merchant Limited

## **RAB Capital Holdings Limited**

### **GROUP STRATEGIC REPORT 31 December 2020**

#### **BUSINESS MODEL**

RAB continues to investigate options and strategies for launching new funds within the investment management business. RAB continues investing surplus funds where the Board sees opportunities to provide enhanced returns. RAB currently aims to do this by selective investments in companies, both listed and private, and real estate development opportunities.

The Board also seeks to exploit the knowledge, expertise and contacts gained over the years from investing in the natural resources sector to generate additional revenues. Projects are underway to achieve this, including the Musgrave joint venture.

#### **STRATEGY**

RAB aims to utilise the expertise of its management team to:

1. increase net assets through investments and joint ventures;
2. explore and implement new avenues for revenue generation; and
3. maintain a strong financial position.

#### **MARKET REVIEW**

RAB's investment portfolio is largely focused on Natural Resources, Renewables, Life Science and Early Stage Technologies together with Real Estate Developments. Early stage technology and medical examples have included those engaged in the discovery, development and commercialisation of drugs and technologies in the oncology field. Recent Real Estate Developments have been undertaken in England, Jersey, the Republic of Ireland and South Africa. RAB has a multi-faceted investment strategy: direct investment of new capital in equity placements and on-market trades.

#### **Mining sector**

As exogenous shocks go, a global pandemic is highly rated. As the global economy went into shut-down at the start of Q2, the record market highs of Q1 2020 seemed distant. However 2020 was a tale of two halves for global markets and no more so than in the commodities complex.

Shortly after the crash, the precious metals complex rallied strongly in line with a flight to safety, with gold rising a total of 40% by July 2020 to above \$2,000/oz. In the latter stages this was supported by inflation fears as markets priced in a V-shaped recovery in global economic activity, boosted by massive Government spending.

To follow, base and industrial metals moved much higher in response to increasing real asset prices, government spending programmes focused on the green economy, and massive stimulus. Iron ore started a relentless climb from \$80/t at the beginning of April 2020 to finish the year above \$150/t (+85%), whilst copper similarly moved from \$2.20/lb to \$3.50/lb (+60%). With such significant price moves in under nine months, many commentators championed the start of the third commodity 'super cycle'.

The super cycle theme continued into 2021 albeit confined to certain sectors of the commodity complex; a positive environment for mid-cycle stock picking. Iron ore and copper continued to climb, pricing in a new global growth and green agenda, iron ore reaching \$226/t and copper reaching \$4.88/lb by May, +60% and +35% for the year respectively. On the other hand, gold had fallen 20% from its 2020 highs by March, with the global economy appearing to be on a more stable footing, bond yields increasing, and an outside substitution effect from crypto currencies.

#### **Energy and energy related tech sectors**

As with all areas of the global economy, oil pricing was driven by the effects of the Covid-19 pandemic. Having started the year trading in the \$60 - \$70 range the price plummeted as the spread of the virus became clearer and countries around the globe struggled to implement measures to halt it. The knock-on impact on global economic activity, and in turn, oil demand was unprecedented. From ~100mmbbls/d in December 2020, the IEA estimated demand collapsed to ~83mmbbls/d in June, this unfolding picture drove Brent to sub-\$20 in April. The move was even more extreme for WTI which actually traded at a negative price for a brief time. In particular this was driven by inventory capacity filling up, leading to speculation as to when this would hit the operational limit in key locations with some traders even hiring VLCC tankers at spiking day rates in order to store crude.

Against this backdrop an apparent disagreement between Saudi Arabia and Russia at an OPEC+ meeting in early March heaped further pressure on from the supply side. However, in April they reconvened and announced a historic 10.23mmbbl/d cut in production helping to provide relief to the beleaguered sector. While the world debated the likelihood of various letter-shaped recoveries in economic growth over the course of the summer, data points within the space began to come in at levels that were not as bad as consensus suggested and pricing recovered somewhat. While the autumn saw a rollercoaster of newsflow around the pandemic, a fragile recovery was seen in oil demand and, supported by the OPEC+ cuts, global inventories declined. As we headed into winter, growing encouragement in relation to vaccines as well as OPEC+ signalling that they would continue to apply their cuts drove Brent from \$37 in November to finish the year at \$51.

## RAB Capital Holdings Limited

### GROUP STRATEGIC REPORT 31 December 2020

The year also saw the energy transition trend continue as both the public and private sectors sought to push forward in the various fields that form part of efforts to meet climate change targets. Governments around the world announced green recovery plans with environmentally conscious stimulus measures ranging from support for carbon capture and storage to improving grid infrastructure. Figures from Bloomberg New Energy Finance showed that investment in the low-carbon energy transition accelerated to \$501.3bn, up from \$458.6bn the year before and only \$235.4bn in 2010. Leading the way was the renewable energy space with \$303.5bn, second only to 2017 despite the pandemic. Within this, solar and wind took the majority with \$148.6bn and \$142.7bn respectively. Also of note, hydrogen saw \$1.5bn of investment, while \$3.6bn went into energy storage, including the biggest batteries in the world with 300MW and 250MW projects in California and a 200MW facility in China.

#### Property

After two years of political uncertainty dragging on the UK residential property market things took a turn for the positive at the beginning of 2020. However, the Coronavirus pandemic quickly brought the UK market to a standstill. Following the reopening of the market in the Spring, the rise in homeworking led to an increase in house moves and a gravitation towards more rural environments from cities as people looked for more space both inside and outdoors. This transition should also entice more high net worths to move to Jersey.

Management believe that this leaves the L D Developments Limited well placed in the future.

#### **BUSINESS REVIEW AND RESULTS FOR THE YEAR**

After the disappointing end to 2019 when the Guildford Local Plan challenge was appealed, in February 2020 a judge dismissed the complainants request for appeal. This led to RAB completing the sale of the Wisley Airfield in the first quarter of 2020 generating a profit of £25.0 million, receiving approximately half the proceeds upfront and the rest deferred for 12 months. There are potential further proceeds should the site be developed. The proceeds of this sale allowed RAB to invest elsewhere.

Deployment of the funds released following the sale of Wisley Airfield and existing investments generated realised and unrealised gains of £44.3 million for the year: £21.1 million from listed investments and £23.2 million from unlisted. There remains risk as to whether these gains can be realised in the future. Other revenues amounted to £1.6 million from activities ancillary to investing including interest, dividends and assisting investee companies.

At the end of December RAB completed the purchase of Doolhof Wine Estate ("Doolhof") which includes a vineyard, boutique hotel and glamping site based near Wellington, South Africa. The consolidation of Doolhof resulted in an accounting gain (gain on bargain purchase) of £3.1 million.

Costs for the year increased to £1.9 million (2019 £0.8 million) primarily as a result of increased bonuses (£0.8 million) and legal and transaction fees associated with the Doolhof acquisition (£0.2 million). There was no tax charge for the year as brought forward losses were utilised against realised capital gains where necessary and much of the unrealised gains relate to investments that are expected to be covered by the Substantial Shareholder Exemption.

The overall profit for the year was £72.1 million (2019: loss £1.3 million).

At the year end investments were valued at £66.1 million (2019: £7.6 million). This increased investment portfolio includes many substantial shareholdings (those above 10%) in companies, both listed and unlisted. The investment portfolio was spread across commodities (53%: primary sectors of gold 20%; iron ore 14%; new energy metals 9%; energy 8%; and other materials 2%), technology (38%; primarily energy technology related), healthcare (7%), property (1%) and other sectors (1%). Property exposure is also gained directly through joint ventures and subsidiaries.

The trade receivables primarily relate to the second payment from the sale of Wisley received in March 2021. The increase in property, plant and equipment, biological assets and inventories relate to Doolhof.

At the end of 2020 the net asset value of RAB stood at £87.7 million (2019: £17.7 million), an increase of £69.8 million on the prior year. This increase was attributable to the profit for the year of £72.1 million (2019: loss £1.3 million) offset by dividends being paid of £2.0 million (2019: none).

The covid pandemic did not have a major impact on the operations of RAB. All staff successfully worked from home and company meetings quickly migrated to video calls which proved successful and perhaps gave greater access than before. Due to the lack of use and the view that normality would not resume in 2021, RAB exercised the break in its office lease, terminating this at the start of December 2020. RAB will continue to review working arrangements for all staff.

RAB views the outlook for 2021 as promising. Management will continue to work with the unlisted companies towards exits, either through listings or corporate transactions. Management believe that Doolhof has a strong product and hope to be able to help increase the wine sales and revenues from the accommodation offerings, although the results of this may not be seen until 2022.



## RAB Capital Holdings Limited

### GROUP STRATEGIC REPORT 31 December 2020

#### KEY PERFORMANCE INDICATORS

The Directors use a number of key performance indicators to measure the performance of the business over the medium-term, viewed as a three year period.

<i>Return on investments and joint ventures</i> Objective: generating returns on investments and joint ventures in excess of those earned on cash. Performance: Joint ventures will deliver a substantial uplift to NAV in 2020.	<i>Medium-term performance</i>	
	2020	412%
	2019	-3%
	2018	-3%

<i>Net Asset Value per share</i> Objective: increasing net asset value ("NAV") per share. Performance: NAV per share increased by 34.5p in the year due to investment gains and disposal of a joint venture.	<i>Medium-term performance</i>	
	2020	43.2p
	2019	8.7p
	2018	9.4p

<i>Net Asset Value per share adjusted for cumulative dividends</i> Objective: increasing net asset value ("NAV") per share adjusted for distributions. Performance: Cumulative dividends of 3p per share have been paid since the Scheme of Arrangement in September 2011.	2020	46.2p
	2019	10.7p
	2018	11.4p

#### PRINCIPAL RISKS AND UNCERTAINTIES

RAB's principal risks and uncertainties are considered to be market risk, liquidity risk, credit risk, operational risk and employee risk. These risks primarily relate to the assets and liabilities on its statement of financial position, particularly RAB's investments. RAB has a risk management and reporting framework in place which is designed to minimise those risks which management believe are within their control.

##### *Market risk*

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange and equity prices affect RAB's income and/or the value of investment assets. In particular, RAB is impacted by economic events affecting precious metals, oil and gas and by planning authority decisions in relation to its property investment assets.

##### *Liquidity risk*

Liquidity risk is the risk that RAB will encounter difficulty in meeting obligations arising from its financial liabilities. Cash is retained in the business to mitigate this risk and liquidity can be generated by sale of readily realisable assets.

##### *Credit risk*

Credit risk is the risk of financial loss if the counterparty to a financial instrument fails to meet its contractual obligation. The risk to RAB arises principally from deposits placed with financial institutions and custody of investments.

##### *Operational risk*

Operational risk is the potential for economic loss and/or reputational damage due to a serious error or failure of operations. RAB has implemented an operational risk framework designed to monitor and assess operational risks across the business.

##### *Employee risk*

In common with most businesses, RAB's employees are essential to its success. The ability to attract, retain and develop talented people is vital for delivering stakeholder value and managing the principal risks of running the business.



**Michael Alen-Buckley**  
Executive Chairman  
21 September 2021

## **RAB Capital Holdings Limited**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAB CAPITAL HOLDINGS LIMITED**

#### **Opinion**

We have audited the financial statements of RAB Capital Holdings Limited (the 'company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the consolidated income statement, group and company statements of financial position, group and company statements of changes in equity, group and company cash flow statements and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2020, and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## **RAB Capital Holdings Limited**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAB CAPITAL HOLDINGS LIMITED (CONTINUED)**

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the group and the company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- enquiry of management, those charged with governance, around actual and potential litigation and claims;
- enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations

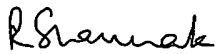
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

## **RAB Capital Holdings Limited**

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Rakesh Shaunak, FCA CTA FRSA**  
**Senior Statutory Auditor**  
**For and on behalf of**  
**MHA MacIntyre Hudson, Statutory Auditor**  
2 London Wall Place  
London  
EC2Y 5AU

21 September 2021

# **RAB Capital Holdings Limited**

## **CONSOLIDATED INCOME STATEMENT** **For the year ended 31 December 2020**

	<b>Note</b>	<b>2020 £000s</b>	<b>2019 £000s</b>
Revenue		<b>1,120</b>	<b>41</b>
Net profit/(loss) on investments held at fair value	2	<b>44,274</b>	<b>(468)</b>
Interest receivable and similar income	5	<b>464</b>	<b>-</b>
<b>Total net income/(loss)</b>		<b>45,858</b>	<b>(427)</b>
Administrative expenses		<b>(1,855)</b>	<b>(835)</b>
<b>Operating profit/(loss) before taxation and joint ventures</b>		<b>44,003</b>	<b>(1,262)</b>
Share of post-tax results and profit on disposal from associates and joint ventures	9	<b>25,029</b>	<b>(75)</b>
Gain on bargain purchase of subsidiary	9	<b>3,103</b>	<b>-</b>
<b>Operating profit/(loss) before taxation</b>	2	<b>72,135</b>	<b>(1,337)</b>
Taxation	6	<b>-</b>	<b>-</b>
<b>Profit/(loss) after taxation attributable to equity holders of the parent</b>		<b>72,135</b>	<b>(1,337)</b>

Basic profit/(loss) per Ordinary share	8	<b>35.41p</b>	<b>(0.66)p</b>
Diluted profit/(loss) per Ordinary share	8	<b>35.41p</b>	<b>(0.66)p</b>

All of the above amounts relate to continuing activities.

## **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<b>2020 £000s</b>	<b>2019 £000s</b>
Profit/(loss) for the financial year	<b>72,135</b>	<b>(1,337)</b>
Currency translation differences	<b>(86)</b>	<b>-</b>
<b>Total comprehensive income/(loss) attributable to equity holders of the parent</b>	<b>72,049</b>	<b>(1,337)</b>

The accompanying notes on pages 15 to 35 form an integral part of these financial statements.

# RAB Capital Holdings Limited

## STATEMENTS OF FINANCIAL POSITION As at 31 December 2020

		Group		Company	
	Note	2020 £000s	2019 £000s	2020 £000s	2019 £000s
<b>Assets</b>					
<b>Non-current assets</b>					
Investment in subsidiaries	9	-	-	2,215	2,215
Investment in associates and joint ventures	9	1,910	9,223	1,910	9,524
Property, plant and equipment	10	3,625	7	-	-
Biological assets	11	215	-	-	-
Right of use asset	19	-	140	-	-
Loans and other non-current receivables	14	617	15	1,954	-
Investments held at fair value	12	66,111	7,579	65,684	6,966
<b>Total non-current assets</b>		<b>72,478</b>	<b>16,964</b>	<b>71,763</b>	<b>18,705</b>
<b>Current assets</b>					
Trade and other receivables	13	17,415	425	17,224	349
Inventories		535	-	-	-
Cash		2,421	692	1,975	444
<b>Total current assets</b>		<b>20,371</b>	<b>1,117</b>	<b>19,199</b>	<b>793</b>
<b>Total assets</b>		<b>92,849</b>	<b>18,081</b>	<b>90,962</b>	<b>19,498</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Lease liability	19	-	(97)	-	-
<b>Total non-current liabilities</b>		<b>-</b>	<b>(97)</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>					
Trade and other payables	15	(5,107)	(215)	(11,254)	(1,471)
Lease liability	19	-	(44)	-	-
<b>Total current liabilities</b>		<b>(5,107)</b>	<b>(259)</b>	<b>(11,254)</b>	<b>(1,471)</b>
<b>Total liabilities</b>		<b>(5,107)</b>	<b>(356)</b>	<b>(11,254)</b>	<b>(1,471)</b>
<b>Net assets</b>		<b>87,742</b>	<b>17,725</b>	<b>79,708</b>	<b>18,027</b>
<b>Equity</b>					
Called up share capital	16	203	203	203	203
Other reserves	17	29,898	29,898	1	1
Retained earnings		57,641	(12,376)	79,504	17,823
<b>Equity attributable to the equity holders of the parent</b>		<b>87,742</b>	<b>17,725</b>	<b>79,708</b>	<b>18,027</b>

The parents company's retained profit for the period amounted to £63,713,000 (2019: £1,228,000).

The financial statements on pages 11 to 35 were approved by the Board of Directors on 21 September 2021 and signed on its behalf by:



**Michael Alen-Buckley**  
Executive Chairman  
21 September 2021

Company number: 07632131

The accompanying notes on pages 15 to 35 form an integral part of these financial statements.

# **RAB Capital Holdings Limited**

## **STATEMENTS OF CHANGES IN EQUITY** **For the year ended 31 December 2020**

	Note	Called up share capital £000s	Other reserves £000s	Retained earnings £000s	Total equity £000s
<b>GROUP</b>					
At 1 January 2019		203	29,898	(11,044)	19,057
Loss for the financial year		-	-	(1,337)	(1,337)
Transactions with equity holders:					
- Dividends (paid) / credited back	7	-	-	5	5
<b>At 31 December 2019</b>		<b>203</b>	<b>29,898</b>	<b>(12,376)</b>	<b>17,725</b>
Profit for the financial year		-	-	72,135	72,135
Other comprehensive income:					
- Currency translation differences		-	-	(86)	(86)
Transactions with equity holders:					
- Dividends (paid) / credited back	7	-	-	(2,032)	(2,032)
<b>At 31 December 2020</b>		<b>203</b>	<b>29,898</b>	<b>57,641</b>	<b>87,742</b>
<b>COMPANY</b>					
At 1 January 2019		203	1	19,007	19,211
Loss for the financial year		-	-	(1,189)	(1,189)
Transactions with equity holders:					
- Dividends (paid) / credited back	7	-	-	5	5
<b>At 31 December 2019</b>		<b>203</b>	<b>1</b>	<b>17,823</b>	<b>18,027</b>
Profit for the financial year		-	-	63,713	63,713
Transactions with equity holders:					
- Dividends (paid) / credited back	7	-	-	(2,032)	(2,032)
<b>At 31 December 2020</b>		<b>203</b>	<b>1</b>	<b>79,504</b>	<b>79,708</b>

The accompanying notes on pages 15 to 35 form an integral part of these financial statements.

# RAB Capital Holdings Limited

## CASH FLOW STATEMENTS

For the year ended 31 December 2020

		Group		Company	
	Note	2020 £000s	2019 £000s	2020 £000s	2019 £000s
<b>Cash flows from operating activities</b>					
Profit/(loss) before taxation		72,135	(1,337)	63,713	(1,189)
Share of post-tax results and profit from disposal from joint venture	9	(25,029)	153	(24,715)	-
Depreciation of property, plant and equipment	10	7	7	-	-
Impairment of investment in subsidiaries	9	-	-	-	1,079
Net (gain)/loss on investments held at fair value		(44,274)	468	(44,390)	171
Depreciation charge on right-of-use asset	19	36	47	-	-
Interest on lease liabilities	19	4	7	-	-
Interest receivable and similar income	5	(464)	-	(470)	(78)
		2,415	(655)	(5,862)	(17)
<b>Changes in operating assets and liabilities</b>					
Increase in trade and other receivables - current		(16,990)	(164)	(16,875)	(198)
Increase/(decrease) in trade and other payables		4,892	42	9,783	(627)
Increase in inventories		(535)	-	-	-
Decrease/(increase) in right-of-use asset	19	140	(140)	-	-
(Decrease)/increase in lease liability	19	(141)	141	-	-
<b>Cash used in operating activities</b>		<b>(10,219)</b>	<b>(776)</b>	<b>(12,954)</b>	<b>(842)</b>
Taxation		-	-	-	-
<b>Net cash outflow used in operating activities</b>		<b>(10,219)</b>	<b>(776)</b>	<b>(12,954)</b>	<b>(842)</b>
<b>Cash flows from investing activities</b>					
Interest received	5	133	-	126	-
Dividends received	5	331	-	344	78
Investment in associates and joint ventures	9	(150)	(225)	(150)	(225)
(Increase)/decrease in Loans and other non-current receivables		(602)	2	(1,954)	-
Net proceeds on disposal of investment in joint ventures		32,479	-	32,479	-
Purchase of property, plant and equipment	10	(6)	(1)	-	-
Net property, plant and equipment from purchase of subsidiary	10	(3,619)	-	-	-
Net biological assets from purchase of subsidiary	11	(215)	-	-	-
Purchase of investments held at fair value	12	(32,341)	-	(32,341)	-
Intra-group transfers of investments held at fair value	12	-	-	(70)	-
Disposal of investments held at fair value	12	18,083	1,270	18,083	1,061
<b>Net cash inflow generated from investing activities</b>		<b>14,093</b>	<b>1,046</b>	<b>16,517</b>	<b>914</b>
<b>Cash flows from financing activities</b>					
Equity dividends (paid)/credited back	7	(2,032)	5	(2,032)	5
Cash outflow for leases	19	(56)	(59)	-	-
<b>Net cash (outflow used in)/inflow generated from financing activities</b>		<b>(2,088)</b>	<b>(54)</b>	<b>(2,032)</b>	<b>5</b>
<b>Net increase in cash</b>		<b>1,786</b>	<b>216</b>	<b>1,531</b>	<b>77</b>
Effect of exchange rate changes		(57)	-	-	-
<b>Cash at 1 January</b>		<b>692</b>	<b>476</b>	<b>444</b>	<b>367</b>
<b>Cash at 31 December</b>		<b>2,421</b>	<b>692</b>	<b>1,975</b>	<b>444</b>

The accompanying notes on pages 15 to 35 form an integral part of these financial statements.



## **RAB Capital Holdings Limited**

### **NOTES TO THE FINANCIAL STATEMENTS** **31 December 2020**

#### **1 PRINCIPAL ACCOUNTING POLICIES**

RAB Capital Holdings Limited ("the Company") is a limited company registered in England and Wales. The registered number is 07632131 and registered address is 6 Kilminster Close, Brentwood, Essex CM13 2JZ. The consolidated financial statements for the year ended 31 December 2020 comprise the Company and its subsidiaries (together referred to as "the Group"). The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

##### **Statement of compliance**

The Group and Company financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted in the European Union and the Companies Act 2006 applicable to companies reporting under IFRS. The Company has taken advantage of the exemption under section 408 of the Companies Act 2006 not to present its own statement of profit or loss and related notes. The Company's profit for the financial year is shown on page 12.

##### **Basis of preparation**

The consolidated financial statements have been prepared under the historical cost convention, except for the measurement of investments at fair value.

##### **IFRS - new and amended standards**

The following new standards and amendments have been applied for the first time in the current period. Other new standards and amendments effective in the period are not considered relevant to the Group.

<u>Standard / Interpretation</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020
Definition of Material	1 January 2020
Definition of Business amendments to IFRS 3	1 January 2020

Annual Improvements to IFRSs 2015-2017 Cycle includes updates to IFRS 3 Business Combinations, IFRS 11 Joint Ventures, IAS 12 Income Taxes and IAS 19 Employee Benefits.

Certain standards are updated to refer to the 2018 Conceptual Framework rather than the Framework for the Preparation and Presentation of Financial Statements when referring to materiality, definitions of elements and their recognition criteria and the objective of financial statements.

The definition of material in certain standards is amended to be as follows:

- Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.
- Examples of circumstances that may result in material information being obscured are added to the standard as a result of the amendment, as is guidance on users of financial statements.

The IFRS 3 definition of a business and accompanying application guidance are amended to clarify that a business must include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition focuses on outputs of goods and services provided to customers and removes reference to an ability to cut costs. Guidance and illustrative examples are also added to help reporters assess whether a substantive process has been acquired.

Other standards, interpretations and amendments issued but not yet effective are not expected to have a material impact on the Group financial statements.

## **RAB Capital Holdings Limited**

### **NOTES TO THE FINANCIAL STATEMENTS 31 December 2020**

#### **(A) Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and entities over which the Company has the power to control financial and operating policies (its subsidiary undertakings). The results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where subsidiaries, associates or joint ventures have a non-coterminous year end with the Company the consolidated results are based on interim financial information prepared by the entity. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Investments in associates and joint ventures are accounted for by the equity method of accounting and are initially recognised at cost.

#### *Going concern*

The Group continues to have net assets which considerably exceed its cost base. Having prepared forecasts, the Directors have a reasonable expectation that both the Company and the Group will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the annual report and financial statements. The Directors do not believe that the continued effects of Covid-19 will have a material impact on operations.

#### **(B) Critical accounting estimates and judgements**

The Directors make estimates and assumptions concerning the future, which by definition will seldom match actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

#### *Fair value of unlisted securities*

Significant judgement is required in determining the fair value of investments in unlisted securities. RAB has regard to the valuation methodologies set out in the International Private Equity and Venture Capital Valuation Guidelines in determining the fair value of unquoted securities, however, without an established market for these securities any valuation is reliant upon Directors' judgements.

#### *Income taxes*

Significant judgement is required in determining provisions for income taxes and in determining deferred tax assets based on an assessment of the probability that taxable profits will be available against which such deferred tax assets can be recovered.

#### **(C) Accounting policies**

##### **Investments in subsidiaries, joint ventures and associates**

Investments in subsidiaries, joint ventures and associates are carried in the Company statement of financial position at cost less any provisions for impairment. Dividends from pre-acquisition reserves are recognised in the income statement, and any resulting impairment is provided for.

Joint ventures are entities in which the Group has an investment together with a contractual agreement, with one or more other shareholders, to share control of the business. The major decisions require the unanimous consent of the joint venture partners.

An associate is an entity over which the Group is in a position to exercise significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of joint ventures and associates are incorporated into the consolidated financial statements using the equity method of accounting. The Group's income statement reflects its share of the entity's profit or loss after tax; the statement of financial position records the Group's investment at cost as adjusted by post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments.

## **RAB Capital Holdings Limited**

### **NOTES TO THE FINANCIAL STATEMENTS** **31 December 2020**

Where a Group company transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate. Intercompany transactions are eliminated and any post-acquisition dividends received by the Group from the joint venture or associate are deducted from the carrying amount. Where losses of a subsidiary, associate or joint venture provide evidence of an impairment of the asset in which case appropriate provision is made.

#### **Property, plant and equipment**

Property, plant and equipment are stated at acquisition cost less depreciation and accumulated impairment provisions. Depreciation is provided at the following rates calculated to write off the cost less the estimated residual value of each asset over its expected useful economic life, or the period of expected use if shorter:

<u>Category</u>	<u>Basis</u>
Land and buildings	0% per annum
Plant and machinery	20% per annum, straight-line
Wine barrels and tanks	4-33% per annum, straight-line
Furniture and office equipment	15-50% per annum, straight-line

#### **Biological assets**

Biological assets comprise the crop on the vines and livestock held for use in production. As the fair value of these biological assets can be readily determined without undue cost or effort, the assets are initially recognised and subsequently carried at fair value less costs to sell. Any resultant gain or loss on re-measuring to fair value less costs to sell at each reporting date is recognised in profit or loss.

At the time of harvesting, the grapes and other fruit are recognised at fair value less costs to sell and are included in inventory at this amount. They are not subsequently re-measured.

#### **Inventories**

Inventories comprise wine, wine additives, dry goods and diesel and are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the average cost method. The cost of finished goods and work in progress comprises packaging costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

#### **Financial assets and liabilities**

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

#### **Investments**

Investments in funds and other securities are included in non-current assets. They are measured at fair value through profit or loss ("FVPL").

Investments are initially recognised at cost, being the fair value of the investment at that time, and are subsequently measured at fair value, with any gains or losses arising from changes in fair value being recognised in the income statement. Fair value for each type of investment is determined as follows:

##### *(i) investments in funds*

The starting point for determining fair value of investments in funds is the net asset value ("NAV") of the fund which is calculated by a third party. In rare circumstances it may be necessary to adjust the reported NAV for factors that would cause it to differ from fair value.

##### *(ii) investments in listed or quoted securities*

Securities listed or quoted on a stock exchange are valued at the end of day quoted price on the relevant exchange.

## **RAB Capital Holdings Limited**

### **NOTES TO THE FINANCIAL STATEMENTS**

**31 December 2020**

#### *(iii) investments in unquoted securities*

The fair value of an unquoted security is defined as the price that RAB might reasonably expect to receive on its sale and is determined in good faith and pursuant to procedures established by RAB. This is established by reference to, but is not limited to:

- cost price;
- current earnings reviews and forecasts;
- recent capital transactions or events;
- the price of any recent transactions; and
- the size of RAB's holding relative to the total issued capital.

RAB reviews such investments periodically as information is received and, where appropriate, proposes valuation changes. Such proposed valuation changes must be accompanied by a documented recommendation which takes account of the factors noted above together with all relevant back up documentation. Due to the inherent uncertainty of fair value, such estimations of fair value may differ from values that would have been applied had a readily available market existed and those differences could be material. In all cases RAB has regard to the valuation methodologies set out in the International Private Equity and Venture Capital Valuation Guidelines in determining the fair value of unquoted securities.

Purchases of investments are recorded when substantially all the risks and rewards of ownership have been transferred to the Group, this is usually on the trade date.

#### *Trade and other receivables*

Trade and other receivables are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of profit or loss when there is objective evidence that the asset is impaired.

#### *Cash*

Cash represents cash at bank which is on deposit and cash in hand.

#### *Trade and other payables*

Trade and other payables are initially measured at fair value and subsequently measured using the effective interest

#### *Derecognition*

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and substantially all risks and rewards of ownership have been transferred.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, transferred, cancelled or expired.

## **RAB Capital Holdings Limited**

### **NOTES TO THE FINANCIAL STATEMENTS**

**31 December 2020**

#### *Offsetting*

Financial assets and liabilities are offset and the net amount reported in the statement of financial position where the Group has a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

#### **Income recognition**

##### *Revenue*

Revenue represents fees receivable from assisting investee companies provided during the period and subletting and desk rental income from spare office space. Fees are recognised as the services are provided. Rental income is recognised on an accruals basis.

##### *Interest receivable and similar income*

Interest income is recognised as it accrues using the effective interest method. Distributions from investments are recognised on the date that the right to receive payment has been established.

#### **Cost of sales**

Cost of sales comprises fees payable to third parties in respect of distribution services and provision of investment advisory service. These fees are recognised over the period for which the service is provided.

#### **Leases**

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to restore the underlying asset, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the expected end of the lease term. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for any remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. The lease liability is measured at amortised cost using the effective interest method. It is remeasured if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way a corresponding adjustment is made to the carrying amount of the right-of-use asset.

##### *Short-term leases and leases of low value assets*

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the term of the lease.

## **RAB Capital Holdings Limited**

### **NOTES TO THE FINANCIAL STATEMENTS**

**31 December 2020**

#### **Foreign currency**

The individual financial statements of each subsidiary undertaking are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Pound Sterling, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each statement of financial position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items are included in the income statement for the period.

For the purpose of presenting consolidated financial statements, income and expense items of the Group's foreign operations are translated at the average exchange rates for the period. Assets and liabilities are expressed in Sterling using exchange rates prevailing on the statement of financial position date. Exchange differences arising from the translation of the assets and liabilities of foreign operations are shown as a separate component of equity.

#### **Taxation**

The tax expense represents the sum of the tax currently payable/receivable and deferred tax.

Tax currently payable/receivable is based on amounts payable/receivable on the taxable profit/loss for the current year plus any adjustment in relation to prior periods, and any amount still due in respect of prior periods. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date. Income tax relating to items charged or credited directly to equity is dealt with in equity.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases, and is accounted for using the statement of financial position liability method.

Deferred tax liabilities are recognised on all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised. Deferred tax is charged or credited to the statement of profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation jurisdiction and the Group intends to settle its current tax assets and liabilities on a net basis.

#### **Bonus plans**

The Group recognises a liability and an expense for bonuses, based on a range of criteria; including the performance of the Group for the financial year and the need to incentivise and retain certain staff. The Group recognises a liability where contractually obliged, or where there is a past practice that has created a constructive obligation.

## RAB Capital Holdings Limited

### NOTES TO THE FINANCIAL STATEMENTS 31 December 2020

#### 2 OPERATING PROFIT/(LOSS) BEFORE TAXATION

	Group	
	2020	2019
	£000s	£000s
<b>Operating profit/(loss) before taxation has been arrived at after charging:</b>		
Staff costs (see Note 4)	1,280	540
Interest on lease liabilities (see Note 19)	7	7
Expenses relating to short-term leases (see Note 19)	2	2
Depreciation of right-of-use assets (see Note 19)	47	47
Depreciation of property, plant and equipment (see Note 10)	7	7
Foreign exchange (gain)/loss	(7)	2
Other premises costs	61	61
Other operating costs	458	169
Administrative expenses	1,855	835

#### 3 AUDITOR'S REMUNERATION

Auditor's remuneration relates to MHA MacIntyre Hudson.

	Group	
	2020	2019
	£000s	£000s
<b>Audit of these financial statements</b>	18	13
<b>Audit of subsidiaries' financial statements</b>	12	12
<b>Total audit fees</b>	30	25
<b>Fees payable to the Company's Auditor and their associates for other services to the Group</b>		
- Other services	6	-
<b>Total Auditor's remuneration</b>	36	25

#### 4 STAFF COSTS AND EMPLOYEES

##### (A) Staff costs

	Company		Group	
	2020	2019	2020	2019
	£000s	£000s	£000s	£000s
<b>Staff costs including Directors' emoluments</b>				
Wages and salaries	-	-	414	436
Staff bonuses	-	-	682	3
Social security costs	-	-	137	47
Other staff costs	-	-	37	45
Pension costs	-	-	10	9
	-	-	1,280	540

Staff bonuses including related social security costs totalled £776,000 (2019: £3,000).

##### (B) Average number of employees

	Company		Group	
	2020	2019	2020	2019
	Number	Number	Number	Number
<b>Average monthly number employed including Directors:</b>				
Office and management	-	-	9	9

# RAB Capital Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS 31 December 2020

(C) Directors' emoluments	Company		Group	
	2020 £000s	2019 £000s	2020 £000s	2019 £000s
Directors' remuneration	-	-	754	136
	-	-	754	136
<b>Highest paid Director</b>				
Directors' remuneration	-	-	622	56

Directors' remuneration relates to amounts paid and incurred by the Group in respect of Directors of the Company and includes salary, fees, bonus and non-cash benefits such as health insurance.

## 5 INTEREST RECEIVABLE AND SIMILAR INCOME

	Group	
	2020 £000s	2019 £000s
Bank and loan interest receivable	133	-
Dividend received	331	-
Total interest receivable and similar income	464	-

Included within interest receivable is interest from joint ventures (see note 18).

## 6 TAXATION

### (A) Analysis of tax charge for the year

	Group	
	2020 £000s	2019 £000s
Current tax on loss for the year	-	-
Adjustments in respect of previous periods	-	-
Current tax charge	-	-
Deferred tax	-	-
Tax charge in the consolidated statement of profit or loss	-	-

### (B) Factors affecting the tax charge for the year

	Group	
	2020 £000s	2019 £000s
Profit/(loss) on ordinary activities before taxation	72,135	(1,337)
Tax charge on profit/(credit on loss) on ordinary activities at standard UK corporation tax rate of 19% (2019: 19%)	13,706	(254)
Effect of:		
Disallowed expenses and non-taxable income	(670)	2
Trading losses (utilised)/not utilised	(950)	208
Capital losses (utilised)/not utilised	(12,034)	105
Adjustments in respect of goodwill/intangibles	(9)	(9)
Writing down allowances in excess of goodwill	(43)	(52)
Other	-	-
Tax charge in the statement of profit or loss	-	-
Effective tax rate	0.0%	0.0%

A deferred tax asset has not been recognised in relation to trading losses amounting to £22.8m (2019: £27.8m), capital losses amounting to £5.0m (2019: £26.5m) (2019: excess management expenses £0.1m and non-trade loan relationship debits £0.1m).



# RAB Capital Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS 31 December 2020

### 7 DIVIDENDS

	Group and Company			
	2020		2019	
	£000s	pence per share	£000s	pence per share
<b>Dividends on Ordinary shares recognised as distributions to equity holders in the year:</b>				
Unclaimed dividends credited back	(1)	-	(5)	-
Final dividend in respect of 2019 (2018)	-	-	-	-
Interim dividends in respect of 2020 (2019)	2,033	1.00	-	-
<b>Total dividends paid in the year</b>	<b>2,032</b>	<b>1.00</b>	<b>(5)</b>	<b>-</b>
<b>Dividends on Ordinary shares declared but not recognised as a liability at 31 December</b>				
	-	-	-	-

### 8 PROFIT/(LOSS) PER ORDINARY SHARE

The calculations of basic and diluted profit/(loss) per Ordinary share are based on the profit for the year of £72,135,000 (2019: loss £1,337,000) and on the following share capital data:

	2020	2019
Basic weighted average number of Ordinary shares	203,731,150	203,731,150
Diluted weighted average number of Ordinary shares	203,731,150	203,731,150

### 9 INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

#### (A) Subsidiaries

	Company	
	2020	2019
	£000s	£000s
At 1 January	2,215	3,294
Additions	-	-
Impairment	-	(1,079)
<b>At 31 December</b>	<b>2,215</b>	<b>2,215</b>

The Company's investment in its fully consolidated subsidiary undertakings at 31 December 2020 comprises:

Name	Country of incorporation	Holding	Functional currency	Principal activity
Leumas (Jersey) Limited <sup>(i)</sup>	Jersey	100%	GBP	Investment company
RAB Capital Limited	England	100%	GBP	Investment management
Doolhof Wine Estates (Pty) Ltd	South Africa	100%	ZAR	Wine estate
Doolhof Wine Estates International <sup>(i)</sup>	Mauritius	100%	GBP	Holding company

(i) The year end of Leumas (Jersey) Limited and Doolhof Wine Estates International is 31 March, whilst that of all other companies is 31 December.

# RAB Capital Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS 31 December 2020

### (B) Associates and joint ventures

Group	2020			2019		
	Associates £000s	Joint Ventures £000s	Total £000s	Associates £000s	Joint Ventures £000s	Total £000s
At 1 January	-	9,223	9,223	-	9,151	9,151
Additions	-	150	150	-	225	225
Disposals	-	(7,455)	(7,455)	-	-	-
Loss after tax in year	-	(8)	(8)	-	(153)	(153)
At 31 December	-	1,910	1,910	-	9,223	9,223
<b>Company</b>						
At 1 January	-	9,524	9,524	-	9,299	9,299
Additions	-	150	150	-	225	225
Disposals	-	(7,764)	(7,764)	-	-	-
At 31 December	-	1,910	1,910	-	9,524	9,524

The Group acquired a holding in Redbarn (Seafield) Developments Limited in the year, a new venture developing a site in Youghal, Republic of Ireland, for predominantly residential use. The disposal related to the Group's holding of Wisley Property Investments Limited.

Information on the Group's associates and joint ventures is as follows:

Name	Status	Principal place of business	Principal activity	Statutory year end	Group ownership
L D Developments Limited ("LDD", the "Jersey JV")	Joint Venture	Jersey	Property SPV	31-Dec	30%
Musgrave Financial Limited ("Musgrave")	Joint Venture	England & Wales	Marketing advice	31-Dec	25%
Redbarn (Seafield) Developments Ltd ("Redbarn")	Joint Venture	Republic of Ireland	Property SPV	31-Dec	50%

Period ended / as at	Musgrave		Redbarn		LDD	
	31/12/20 £000s	31/12/19 £000s	31/12/20 €000s	31/12/19 €000s	31/12/20 £000s	31/12/19 £000s
Assets	73	102	465	n/a	19,963	17,622
Liabilities	(7)	(13)	(483)	n/a	(13,540)	(11,211)
Revenues	50	74	-	n/a	17	16
Pre-tax profit/(loss)	34	59	(16)	n/a	19	(10)
Weighted average interest held during period	25%	25%	50%	0%	30%	30%

**RAB Capital Holdings Limited**

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 December 2020**

**10 PROPERTY, PLANT AND EQUIPMENT**

	Group				
	Land & buildings £000s	Plant & machinery £000s	Wine barrels and tanks £000s	Furniture & office equipment £000s	Total £000s
<b>Cost</b>					
At 1 January 2019	-	-	-	142	142
Additions	-	-	-	1	1
Disposals	-	-	-	(4)	(4)
At 31 December 2019	-	-	-	139	139
Additions	-	-	-	6	6
Disposals	-	-	-	(55)	(55)
On acquisition of subsidiary	3,364	26	128	101	3,619
At 31 December 2020	3,364	26	128	191	3,709
<b>Depreciation</b>					
At 1 January 2019	-	-	-	128	128
Charge for the year	-	-	-	7	7
Disposals	-	-	-	(3)	(3)
At 31 December 2019	-	-	-	132	132
Charge for the year	-	-	-	7	7
Disposals	-	-	-	(55)	(55)
At 31 December 2020	-	-	-	84	84
<b>Net book amount</b>					
At 1 January 2019	-	-	-	14	14
At 31 December 2019	-	-	-	7	7
At 31 December 2020	3,364	26	128	107	3,625

**11 BOTANICAL ASSETS**

	Group			
	Vineyards £000s	Crop on vines £000s	Livestock £000s	Total £000s
At 1 January	-	-	-	-
On acquisition of subsidiary	159	54	2	215
At 31 December	159	54	2	215

**12 INVESTMENTS HELD AT FAIR VALUE**

**(A) Movement in fair value**

	Group		Company	
	2020 £000s	2019 £000s	2020 £000s	2019 £000s
At 1 January	7,579	9,316	6,966	8,198
Additions	32,341	-	32,341	-
Transfers from subsidiaries	-	-	70	-
Disposals	(18,083)	(1,270)	(18,083)	(1,061)
Gain on movement in fair value	44,274	(467)	44,390	(171)
At 31 December	66,111	7,579	65,684	6,966

## RAB Capital Holdings Limited

### NOTES TO THE FINANCIAL STATEMENTS 31 December 2020

#### (B) Fair value hierarchy

The table below analyses investments held at FVPL, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: inputs for the asset are not based on observable market data (unobservable inputs).

	Group		Company	
	2020 £000s	2019 £000s	2020 £000s	2019 £000s
Level 1	28,177	680	28,177	680
Level 2	10,168	2,713	10,168	2,548
Level 3	27,766	4,186	27,339	3,738
At 31 December	66,111	7,579	65,684	6,966

The following table is a reconciliation of the movements in financial assets classified as Level 3:

	Group		Company	
	2020 £000s	2019 £000s	2020 £000s	2019 £000s
At 1 January	4,186	2,101	3,738	1,148
Additions	-	-	-	-
Disposals	-	(209)	-	-
Transfers (to)/from level 2	(81)	2,484	(81)	2,484
Gain/(loss) on movement in fair value	23,661	(190)	23,682	106
At 31 December	27,766	4,186	27,339	3,738

Financial assets classified as Level 3 include investments in third party funds and investments in unlisted securities where the value is based on unobservable inputs. The determination of their fair value is described in the accounting policies and is based on a number of unobservable inputs. A change in any of these inputs could result in a significant increase or decrease in the fair value. RAB estimates that a 15% increase/decrease will have a favourable/unfavourable impact on the valuation of £4,165,000 (2019: £628,000) (Company: £4,100,000; 2019: £561,000).

#### 13 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2020 £000s	2019 £000s	2020 £000s	2019 £000s
Trade receivables	15,864	13	15,753	-
Loans due from joint ventures (see Note 18)	1,400	150	1,400	150
Prepayments and accrued income	73	258	-	199
Other taxation	3	4	1	-
Other debtors	75	-	70	-
	17,415	425	17,224	349

Trade receivables comprise amounts due from the sale of the Wisley airfield joint venture and wine sales. Other debtors relates to interest due on loans.

## RAB Capital Holdings Limited

### NOTES TO THE FINANCIAL STATEMENTS 31 December 2020

#### 14 LOANS AND OTHER NON-CURRENT RECEIVABLES

	Group		Company	
	2020	2019	2020	2019
	£000s	£000s	£000s	£000s
Rent deposit and capitalised lease legal expenses	-	15	-	-
Loans due from third parties	223	-	223	-
Loans due from joint ventures (see Note 18)	394	-	394	-
Loans due from subsidiaries (see Note 18)	-	-	1,337	-
	617	15	1,954	-

Loans to third parties comprise loans to investee companies, often made in conjunction with equity investments.

#### 15 TRADE AND OTHER PAYABLES

	Group		Company	
	2020	2019	2020	2019
	£000s	£000s	£000s	£000s
Amounts due to Group undertakings (see Note 18)	-	-	6,891	1,301
Bank loans	2,000	-	2,000	-
Other loans	152	-	135	-
Other taxation and social security	32	17	-	-
Trade payables	2,357	159	2,166	157
Accruals and deferred income	566	39	62	13
	5,107	215	11,254	1,471

The bank loan is a "Lombard" facility repayable on demand and secured against a discrete portfolio of investments. Interest calculated daily and charged at 1.35% above the Kleinwort Hambros Bank base rate (0.1% during the year) giving a total rate of 1.45% for the year. The loan is also backed by a personal guarantee by Mr Richards.

Accruals and deferred income includes any accrual for employee bonuses.

#### 16 CALLED UP SHARE CAPITAL

Allotted, called up and fully paid

	Ordinary shares of 0.1p each	
	Number of shares	£000s
At 1 January 2019	203,339,069	203
At 31 December 2019	203,339,069	203
At 31 December 2020	203,339,069	203

## RAB Capital Holdings Limited

### NOTES TO THE FINANCIAL STATEMENTS 31 December 2020

#### 17 OTHER RESERVES

	Merger reserve £000s	Capital redemption reserve £000s	Total £000s
<b>Group</b>			
At 1 January 2019	29,897	1	29,898
At 1 January 2020	29,897	1	29,898
At 31 December 2020	29,897	1	29,898
<b>Company</b>			
At 1 January 2019	-	1	1
At 1 January 2020	-	1	1
At 31 December 2020	-	1	1

The merger reserve arose on the acquisition by the Company of RAB Capital Limited in 2011.

The capital redemption reserve is a non distributable reserve and was created on the cancellation of Ordinary share capital in 2012.

#### 18 RELATED PARTIES

##### (A) Transactions with other group companies

###### (i) Group

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not required to be disclosed.

Details of transactions and balances between the Group and its joint ventures (as disclosed in Note 9) which are related parties are as follows:

	2020 £000s	2019 £000s
Interest income from joint ventures (see Note 5)	85	-
Management fees from joint ventures	75	-
Loans to joint ventures - current (see Note 13)	1,400	150
Loans to joint ventures - non-current (see Note 14)	394	-

The management fee from joint ventures is a fee charged to L D Developments for assistance provided on the property development projects.

The loans to joint ventures bear interest at rates varying from 0% to 6.0% per annum. The short-term loans are repayable on demand and the long-term loans are repayable between 2 and 5 years.

###### (ii) Company

Details of transactions and balances between the Company and its subsidiaries, associates and joint ventures (as disclosed in Note 9) which are related parties are as follows:

	2020 £000s	2019 £000s
Investment management fees payable to subsidiaries	6,625	-
Interest income from joint ventures (see Note 5)	85	-
Transfer of available-for-sale financial assets	70	-
Loans to joint ventures - current (see Note 13)	1,400	150
Loans to joint ventures - non-current (see Note 14)	394	-
Loans to subsidiaries - non-current (see Note 14)	1,337	-
Amounts due to subsidiaries	(6,891)	(1,301)

The amounts due to and from the subsidiaries are not interest bearing and are repayable on demand.

## RAB Capital Holdings Limited

### NOTES TO THE FINANCIAL STATEMENTS 31 December 2020

#### (B) Remuneration of and transactions with key management personnel

Key management are defined as the Directors. The remuneration of the Directors is set out below in aggregate for each of the relevant categories specified in IAS 24 "Related Party Disclosures".

	2020 £000s	2019 £000s
<b>Remuneration of key management personnel</b>		
Short-term employee benefits	754	136
Compensation for loss of office	-	-
Share-based payments	-	-
	<b>754</b>	<b>136</b>

Further information about the remuneration of Directors is provided in Note 4.

	2020 £000s	2019 £000s
<b>Transaction with key management personnel</b>		
Amounts due to Directors	(402)	-
Listed investments purchased from Directors at fair value	402	-
Rent paid to Directors	3	-

As disclosed in Note 19, the Company cancelled the lease on its office. From November 2020 the Company has rented space from one of the Directors for a fee of £2,000 per month, cancellable by giving one month's notice.

#### (C) Transactions and balances with related parties

L D Developments Limited is a Joint Venture owned by the Company and Mr Richards, a Director of the Company. Further details of L D Developments Limited are disclosed in note 9.

#### 19 LEASES

The Group leased its office and some low-value IT equipment. Information about leases for which the Group is the lessee is presented below.

RAB Capital Limited was committed to make payments under a non-cancellable lease of land and buildings relating to part of the 1 Adam Street office which was entered into on 2 December 2017. The lease has a five year term and is cancellable by either party on the third anniversary. There are no rent review dates before expiry of the lease. The Group cancelled the lease and vacated the office on the third anniversary.

Fees were earned from renting out spare desk space.

#### (A) Right-of-use assets

	Land and buildings	
	2020 £000s	2019 £000s
Net carrying value at 1 January	140	187
Depreciation charge in year	(36)	(47)
Release on cancellation of lease	(104)	-
<b>Net carrying value at 31 December</b>	<b>-</b>	<b>140</b>

#### (B) Lease liability

The following tables show the discounted lease liabilities included in the Company balance sheet and a maturity analysis of

	2020 £000s	2019 £000s
Current	-	44
Non-current	-	97
	<b>-</b>	<b>141</b>

## RAB Capital Holdings Limited

### NOTES TO THE FINANCIAL STATEMENTS 31 December 2020

	2020 £000s	2019 £000s
Maturity analysis – contractual undiscounted lease payments		
Within one year	-	49
Greater than one year but less than five years	-	100
More than five years	-	-
	-	149

#### (C) Amounts recognised in the income statement

	2020 £000s	2019 £000s
Interest on lease liabilities	4	7
Expenses relating to short-term leases	2	2

#### (D) Amounts recognised in the statement of cash flows

	2020 £000s	2019 £000s
Total cash outflow for leases	56	59

## 20 FINANCIAL INSTRUMENTS

### (A) Introduction and overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

The Directors have overall responsibility for the system of internal control, including financial, operational, compliance and risk management controls. Internal controls include the organisational structure and the delegation of authority within the Group. The maintenance of this control system rests with the executive Directors and is designed to manage risk within acceptable limits.

### (B) Credit risk

Credit risk is the risk of financial loss to the Group if the counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from fees due from funds, rents due from tenants and deposits placed with financial institutions.

The Directors are responsible for oversight of the Group's credit risk. Cash and short-term deposits are distributed across a range of major financial institutions. Trade receivables are monitored and reviewed for collectability on a regular basis.

A provision for individually impaired trade receivables was not considered necessary for amounts outstanding at the statement of financial position date. Furthermore, all trade receivables at the statement of financial position date were transacted in accordance with original terms and conditions, with no instances of renegotiation.



# RAB Capital Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS 31 December 2020

Financial assets exposed to credit risk:

	Group		Company	
	2020	2019	2020	2019
	£000s	£000s	£000s	£000s
Cash and cash equivalents	2,421	692	1,975	444
Trade receivables (see Note 13)	15,864	13	15,753	-
Loans due from joint ventures - current (see Note 13)	1,400	-	1,400	-
Loans due from third parties - non-current (see Note 14)	223	-	223	-
Loans due from joint ventures - non-current (see Note 14)	394	-	394	-
Loans due from subsidiaries - non-current (see Note 14)	-	-	1,337	-
Other taxation (see Note 13)	3	4	1	-
Other debtors (see Note 13)	75	-	70	-
	20,380	709	21,153	444

The table below analyses the age and collectability of trade receivables:

	Group		Company	
	2020	2019	2020	2019
	£000s	£000s	£000s	£000s
<b>Impaired</b>	-	-	-	-
<b>Past due but not impaired</b>	-	-	-	-
Low risk	-	-	-	-
<b>Past due comprises:</b>	-	-	-	-
31-60 days	-	-	-	-
61-90 days	-	-	-	-
91-120 days	-	-	-	-
121 days +	-	-	-	-
Carrying amount	-	-	-	-
<b>Neither past due nor impaired</b>	-	-	-	-
Low risk	15,864	13	15,753	-
Allowance for impairment losses	-	-	-	-
<b>Total carrying amount (see Note 13)</b>	<b>15,864</b>	<b>13</b>	<b>15,753</b>	<b>-</b>

No collateral is held in respect of trade receivables.

The table below analyses the long term credit quality of cash and cash equivalents according to Moody's:

	Group		Company	
	2020	2019	2020	2019
	£000s	£000s	£000s	£000s
AA	-	-	-	-
A1	1,658	-	1,353	-
B/BBB	167	209	53	-
Not rated	596	483	569	444
	2,421	692	1,975	444

## RAB Capital Holdings Limited

### NOTES TO THE FINANCIAL STATEMENTS 31 December 2020

Expected credit losses are calculated on all of the Group's financial assets that are measured at amortised cost. Factors considered in determining whether a default has taken place include how many days past the due date a payment is, deterioration in the credit quality of a counterparty, and knowledge of specific events that could influence a counterparty's ability to pay. A three stage model is used for calculating expected credit losses, which requires financial assets to be assessed as:

- Performing (stage 1) – Financial assets where there has been no significant increase in credit risk since original
- Under-performing (stage 2) – Financial assets where there has been a significant increase in credit risk since initial recognition, but no default; or
- Non-performing (stage 3) – Financial assets that are in default.

For financial assets in stage 1, expected credit losses are calculated based on the credit losses that are expected to be incurred over the following 12-month period. For financial assets in stages 2 and 3, expected credit losses are calculated based on credit losses expected to be incurred over the life of the instrument. The Group applies the simplified approach to calculate expected credit losses for trade and other receivables. Under this approach, instruments are not categorised into three stages and expected credit losses are calculated based on the life of the instrument.

There were no expected credit losses on financial assets at 31 December 2020 (2019: nil) and all financial assets assessed under the three stage model were performing (stage 1).

#### (C) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations from its financial liabilities.

The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient available funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable charges or risking damage to the Group's reputation. The Group maintains a cashflow forecast. If a shortfall is identified the Group will seek to cover the liquidity risk by selling investments held at fair value.

#### (i) Financial assets and liabilities

The table below analyses the maturity profile of the Group's financial assets and liabilities:

Group	2020		2019	
	Less than 1 year £000s	1-5 years £000s	Less than 1 year £000s	1-5 years £000s
<b>Financial assets</b>				
Investments held at FVPL / as available-for-sale	66,111	-	7,579	-
Cash and cash equivalents	2,421	-	692	-
Trade receivables	15,864	-	13	-
Loans due from third parties	-	223	-	-
Loans due from joint ventures	1,400	394	-	-
Other taxation	3	-	4	-
Other debtors	75	-	-	-
	<b>85,874</b>	<b>617</b>	<b>8,288</b>	-
<b>Financial liabilities</b>				
Bank loans	2,000	-	-	-
Other loans	152	-	-	-
Other taxation and social security	32	-	17	-
Trade payables	2,357	-	159	-
	<b>4,541</b>	-	<b>176</b>	-

## RAB Capital Holdings Limited

### NOTES TO THE FINANCIAL STATEMENTS 31 December 2020

Company	2020		2019	
	Less than 1 year £000s	1-5 years £000s	Less than 1 year £000s	1-5 years £000s
<b>Financial assets</b>				
Investments held at FVPL / as available-for-sale	65,684	-	6,966	-
Cash and cash equivalents	1,975	-	444	-
Trade receivables	15,753	-	-	-
Loans due from third parties	-	223	-	-
Loans due from joint ventures	1,400	394	-	-
Loans due from subsidiaries	223	1,337	-	-
Other taxation	1	-	-	-
Other debtors	70	-	-	-
	<b>85,106</b>	<b>1,954</b>	<b>7,410</b>	<b>-</b>
<b>Financial liabilities</b>				
Amounts due to Group undertakings	6,891	-	1,301	-
Bank loans	2,000	-	-	-
Other loans	135	-	-	-
Trade payables	2,166	-	157	-
	<b>11,192</b>	<b>-</b>	<b>1,458</b>	<b>-</b>

*(ii) Short term/low value lease and capital commitments*

See note 19 for information on operating leases held by the Group. The Group had no capital commitments at the statement of financial position date.

**(D) Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange, interest rates and other market prices, affect the Group's income or the value of its financial instruments. The objective of market risk management is to manage market risk exposure so that it remains within acceptable parameters while optimising returns.

**Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates.

The following Pound Sterling rates of exchange were used in the preparation of these financial statements:

	Closing Rate		Average Rate	
	2020	2019	2020	2019
US Dollar	1.37	1.33	1.29	1.28
South African Rand	20.08	18.56	21.19	18.43
Canadian Dollar	1.74	1.72	1.73	1.70
Australian Dollar	1.78	1.89	1.85	1.84
Euro	1.12	1.18	1.13	1.14

The foreign exchange exposure in investments held at FVPL is managed as part of the overall investment strategy. The Group has the ability to use forward foreign exchange contracts with third parties to mitigate this exposure if desired. The Group had no forward foreign exchange contracts outstanding at 31 December 2020 (2019: none).

# RAB Capital Holdings Limited

## NOTES TO THE FINANCIAL STATEMENTS 31 December 2020

The table below shows the carrying amounts of the Group's foreign currency denominated financial assets and liabilities at the reporting date:

Group	Assets		Liabilities	
	2020 £000s	2019 £000s	2020 £000s	2019 £000s
US Dollar	1,400	954	-	-
Euro	2,624	2,266	(136)	-
Canadian Dollar	15,951	621	-	-
Australian Dollar	2,180	-	(338)	-
South African Rand	217	-	(241)	-
	<b>22,372</b>	<b>3,841</b>	<b>(715)</b>	-

### Represented by:

Investments held at FVPL	21,331	3,841	-	-
Loans and other non-current receivables	824	-	-	-
Trade and other receivables	111	-	-	-
Cash and cash equivalents	106	-	-	-
Trade and other payables	-	-	(715)	-
	<b>22,372</b>	<b>3,841</b>	<b>(715)</b>	-

Company	Assets		Liabilities	
	2020 £000s	2019 £000s	2020 £000s	2019 £000s
US Dollar	974	506	-	-
Euro	2,765	2,266	(136)	-
Canadian Dollar	15,951	621	-	-
Australian Dollar	2,180	-	(338)	-
South African Rand	538	-	-	-
	<b>22,408</b>	<b>3,393</b>	<b>(474)</b>	-

### Represented by:

Investments held at FVPL	20,905	3,393	-	-
Loans and other non-current receivables	1,503	-	-	-
Trade and other payables	-	-	(474)	-
	<b>22,408</b>	<b>3,393</b>	<b>(474)</b>	-

The following table details the Group's sensitivity to a 5% strengthening of the Canadian Dollar, South African Rand and Euro against Sterling. For a 5% weakening of the relevant currency against Pound Sterling, there would be an equal and opposite positive impact.

Group	Canadian Dollar impact		South African Rand impact		Euro impact	
	2020 £000s	2019 £000s	2020 £000s	2019 £000s	2020 £000s	2019 £000s
Impact on equity	798	31	(1)	-	124	113

### Interest rate risk

Excess cash and cash equivalents of the Group are expected to be placed in deposit accounts with a maturity for not longer than three months and so the Group is not exposed to significant interest rate risk. As a result, the Group is subject to limited exposure to fair value interest rate risk due to fluctuations in the prevailing levels of market interest rates.

A 0.25% fall in the average monthly interest rate obtained on the Group's cash and cash equivalents would reduce interest receivable and increase the loss before taxation by £6,000 (2019: £3,000) (Company: £5,000; 2019: £2,000). An increase of 0.25% would have an equal but opposite effect.

## RAB Capital Holdings Limited

### NOTES TO THE FINANCIAL STATEMENTS 31 December 2020

#### *Other price risk*

The Group's exposure to equity price risk arises from investments held by the Group and classified in the statement of financial position as fair value through profit or loss (FVPL). The Group manages its equity price risk by diversifying its portfolio of investments. The Group does not seek to hedge exposures to equity price risk.

The Group's investments held at FVPL are sensitive to movements in a diverse range of market prices. The following table details the Group's sensitivity to a 15% movement in the market value of investments held at FVPL at the statement of financial position date:

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Investments at fair value	<b>9,917</b>	<b>1,137</b>	<b>9,853</b>	<b>1,045</b>

It is assumed within all the sensitivity analysis that there is no tax applicable to any gains or losses.

#### **(E) Capital risk management**

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern and to ensure that it complies with any loan covenants and externally imposed capital requirements. The Group manages its capital principally through investment and divestment of assets. Any dividend payments are considered in the context of the overall capital management policy and only paid from capital that is not required to meet ongoing working capital

The Directors continually review the level of capital maintained by the Group.