

FINANCIAL RESULTS

for the year ended 31 December 2021



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Key summary

- Total loss after tax of £3.6m (2020: Profit of £7.7m)
- Group operating loss of £3.7m (2020: £1.4m)
- Group net assets of £13.5m representing approximately 29 pence per share
- Group cash and amounts held in escrow at 31 December 2021 of £14.8m (£12.9m as at 24 May 2022 including term deposits.)

Consolidated Income Statement

for the year ended 31 December	2021 Total	2020 Total
	£'m	£'m
Administrative expenses	(3.7)	(1.4)
Group operating loss	(3.7)	(1.4)
Net finance income	-	0.2
Loss before taxation	(3.7)	(1.2)
Taxation	-	-
Loss after taxation for the year from continuing operations	(3.7)	(1.2)
Net gain on disposal of discontinued operations	-	10.3
Profit/(loss) for the year from discontinued operations	0.1	(1.4)
(Loss)/profit after taxation for the year	3.6	7.7

NOTES

- Legal costs where we are the claimant are included within administrative expenses as incurred
- No assets are recognised in respect of actual or potential litigation
- Discontinued operations and gain on disposal during 2020 relates to the disposal of ingenie and Healthcare Services.
- Roundings have been left uncorrected throughout

Profit after tax bridge from 2020 to 2021

	£'m	£'m
2020 profit after tax		7.7
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Continuing operations		
Higher loss before tax		(2.5)
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Discontinued operations		
2020 profit on sale not recurring	(10.3)	
Cessation of losses/improved result from discontinued businesses	1.5	
		(8.8)
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2021 profit after tax		3.6
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Analysis of Balance Sheet

Assets/liabilities by proximity to cash

as at 31 December	2021	2020
	£'m	£'m
Cash	13.0	16.7
Other net current assets	0.5	0.4
Net assets	13.5	17.1

NOTES

- Other net current assets includes £1.8m held in escrow (2020: £1.8).
- Included in liabilities are provisions of £0.1m (2020: £0.3m.)

Cash Flow

for the year ended 31 December	2021	2020
	£m	£m
Net cash used by operating activities	(3.7)	(6.3)
Net cash generated by investing activities	-	35.4
Net cash used in financing activities	-	(69.6)
Net decrease in cash	(3.7)	(40.5)
Cash at the end of the year	13.0	16.7

NOTE

- Net cash generated by investing activities during 2020 includes £15.0m more maturing from term deposits than was invested. There were no amounts on Term Deposit at 31 December 2021 or 2020.
- Cash used in financing activities during 2020 includes £68.9m return of capital. This was nil in 2021.

Provisions

£'m	Legal disputes	Onerous contracts	Total
At 1 January 2021	0.2	0.1	0.3
Additional provisions	0.1	-	0.1
Unused amounts released	(0.2)	(0.1)	(0.3)
At 31 December 2021	0.1	-	0.1



Ongoing actions and plans

- Pursue and develop litigation assets in the best interests of shareholders
- Manage cash and other assets with care and prudence
- Return of cash to shareholders
- Operate with strong corporate governance

Watchstone.