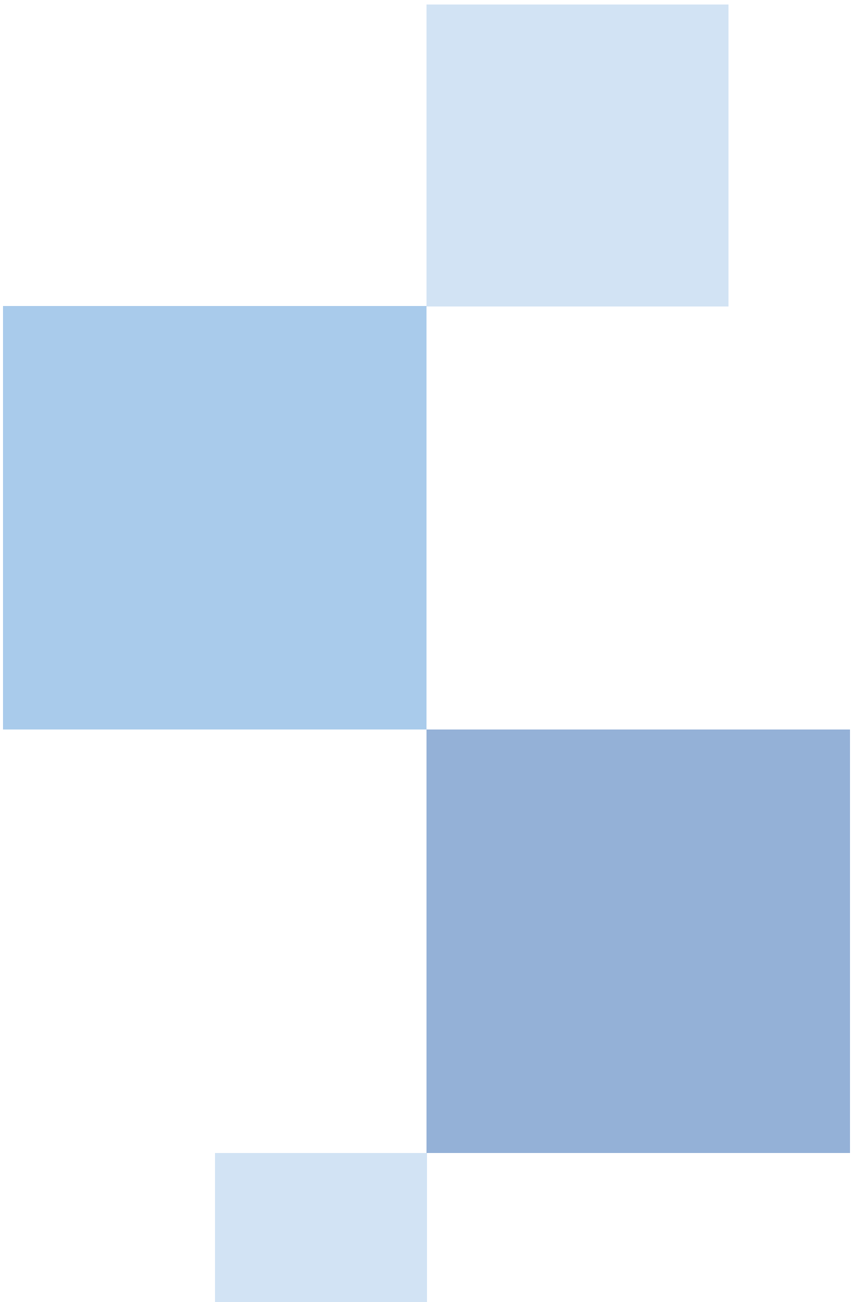
ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30 SEPTEMBER 2023

Supportive

IntegraFin



HIGHLIGHTS

Operational highlights

Year-end Closing Funds Under Direction*:

£55.0bn

↑ 10% (2022: £50.1bn)

Average Daily FUD*:

£53.6bn

↑ 2% (2022: £52.5bn)

Net inflows*:

£2.7bn

↓ 39% (2022: £4.4bn)

Client numbers*:

230.3k

↑ 2% (2022: 224.7k)

Client retention*:

95%

↓ 2% (2022: 97%)

Adviser numbers*:

7.7k

↑ 2% (2022: 7.5k)

Financial highlights

Revenue:

£134.9m

↑ 1% (2022: £133.6m)

IFRS Profit before tax:

£62.6m

↑ 15% (2022: £54.3m)

Underlying Profit before tax:

£63.0m

↓ 4% (2022: £65.8m)

IFRS Earnings per share:

15.1p

↑ 13% (2022: 13.3p)

Underlying Earnings per share:

15.2p

↓ 7% (2022: 16.3p)

*Alternative performance measures (APMs)

APMs are financial measures which are not defined by IFRS, these have been indicated with an asterisk. They are used in order to provide better insight into the performance of the Group. Further details are provided in the glossary, on page 235.

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STRATEGIC REPORT

CHAIR'S STATEMENT

Overview

I am pleased to introduce this year's annual report. IntegraFin Holdings plc Group (IHP Group) has delivered robust performance throughout FY23, with our investment platform offering – Transact – growing funds under direction (FUD) to a record high.

We have remained focused on our underlying strategic objective: to be the number one provider of software and services for our clients and their financial advisers. We have pursued this by maintaining best-in-class service levels and expanding the functionality of our investment platform. Industry surveys continue to show Transact as the highest ranked for client service and functionality amongst platforms with over £30.0 billion in assets.

This has resulted in net flows onto the platform of £2.7 billion, representing resilient performance whilst growing our market share. Over the financial year, advisers registered on the platform increased by 2% and client numbers by 2%. The integration of Time4Advice (T4A) into the Group continues, whilst sales of the existing CURO product continue to grow, with 2.8k licenced users at the year-end.

Over the last financial year, IHP Group has continued to be affected by the consequences of the cost-of-living crisis, high levels of global inflation and increasing interest rates, which have in turn unsettled equity markets. I am proud of our resilient performance in the face of such headwinds.

Our financial and operational performance has been robust, and our people have been instrumental in delivering a high-quality service. Alexander Scott comments on the results in more detail in his Chief Executive Officer's Review.

Developing our business

The digitalisation of the Transact platform continues apace, with a focus on improving the user experience through enhanced, efficient processes. Our investment in software developers aims to continue delivering new functionality and strengthening our systems. Further detail on our digitalisation strategy can be found in the Strategy and Business Model section of this report on page 13.

Sustainability and social issues are a growing focus for our business. This year, we were pleased to sign up to the Women in Finance charter and to receive the Living Wage accreditation for the Group. We also joined the 10,000 Black Interns programme, with our first cohort of interns starting in Summer 2024. We continue development of our sustainability strategy, led by Victoria Cochrane in her role as Designated Non-Executive Director (DNED) for Environmental and Social Sustainability.

Supporting our people

The varied hybrid models of office/ home working have all bedded in well. To better support our staff, we altered the balance of fixed versus variable pay across the London office, Isle of Man office and the regional sales forces. This has proved popular, as the results of our second staff survey have shown.

The IHP board

The membership of the IHP board has been stable throughout the year. We announced on 8 July 2023 that we had recruited Euan Marshall to become Group Chief Financial Officer (CFO), and he will be joining in January 2024. I look forward to working with Euan, he will be a strong addition to the board and senior management team.

Christopher Munro, who has been a Non-Executive Director (NED) on various Group boards and Committees since 2017, has decided to step down from the board of the Company at the end of September 2024. We are profoundly grateful for his input and expertise over the last seven years.

Governance and culture

This is the fourth year that the 2018 UK Corporate Governance Code (the Code) has applied to the Group. Confirmation of how we have complied with the Code for the year under review is set out on page 118. We continue to monitor and prepare for signalled Corporate Governance reform.

We take great care of our corporate culture and values, which are reflected both in our employee relations and in our interactions with clients, advisers, and other key stakeholders. We believe our culture of putting clients first has been central to our compliance with the new Consumer Duty requirements. It is particularly pleasing that we continue to rank so highly in customer service polls undertaken by Investment Trends and CoreData.

Following the publication of our financial year 2022 results in December 2022 and financial year 2023 interim results in May 2023, our Company Secretary, Helen Wakeford, and I offered meetings with our largest shareholders. We held 17 meetings, meeting 14 of our largest investors, including three investors that we met twice. The meetings gave shareholders the opportunity to discuss topics of concern and were felt by us to be constructive and transparent. We plan to continue open engagement with our stakeholders outside of the boardroom and this forms a critical aspect of board-level activity.

We have rigorous Audit and Risk, Nomination and Remuneration Committees, which meet regularly to review and challenge in-depth the work of the executive. Further detail on their activities over the year can be found in this report. We are committed to enhancing our corporate governance processes and expect to see continued benefits from doing so.

On pages 80 to 90, we present our Section 172 (s172) statement, which sets out how we consider our key stakeholders in our decision making and the key decisions we have made throughout the financial year.

The board effectiveness review for 2023 was undertaken by an external firm, Independent Audit Ltd, who also conducted our last external review in 2020. The results of that and review of the Chair is discussed on page 95 to 96.

Remuneration

The Directors' Remuneration Report is set out on page 113. In particular there are changes noted in the incentive arrangements for executive management and employees more generally. These changes are detailed on pages 116 and 117.

Dividend

In line with our dividend policy and in recognition of our financial performance, we have declared a second interim dividend of 7.0 pence per ordinary share. Together with our first interim dividend paid in June of 3.2 pence per ordinary share, this takes the total dividend to 10.2 pence per ordinary share.

Closing

I remain enormously impressed by the professionalism and dedication of our employees. Their continuing commitment to putting our clients first is a vital component of our compliance with the Consumer Duty.

> **The members of the board would again like to thank all our colleagues for the hard work that they have put in over the last financial year.**

These results, the published clients' satisfaction surveys and our ranking within the platform sector are the product of their efforts.

Richard Cranfield
Chair

13 December 2023

CEO STATEMENT

Overview

The Group has continued its record of resilient growth, with Transact demonstrating robust performance in increasing funds under direction (FUD), net inflows and client and adviser numbers. This financial year has been marked by persistently high inflation and interest rates, with only modest economic growth.

The first half of our financial year saw relatively solid equity market performance. Global equity markets were volatile but there was an upward trend during the period from October 2022 to March 2023. The latter two quarters of financial year 2023 saw less volatility. Slowing inflation towards year end led to a pause in the rate rises that characterised much of the year but the high cost of living persisted.

Under these challenging conditions, we support our clients and their financial advisers through our combination of proprietary technologies – the Transact investment platform and CURO – and our industry-leading customer service.

We remain focused on our goal of making financial planning easier and more efficient and, to this end, we have continued our programme to deliver organic growth through investment in our people and our technologies, seeking long-term efficiencies through scale and ensuring we continue to attract investors to our platform.

Platform performance – Transact overview

Throughout the period, Transact has steadily grown both its adviser base and client numbers. In the first half of the year, we undertook a programme of portfolio rationalisation as part of preparations for the Consumer Duty regulations, resulting in a one-time reduction.

Platform inflows fell across the whole advised retail sector due to the cost-of-living crisis, which diminished the available income for investment. Consequently, our gross inflows fell during the year. This nevertheless represents strong performance in a difficult market, being the third highest level of gross inflows in the industry which, coupled with high retention, delivered 22% of net inflows within the advised platform market.

Transact grew its market share as a result of these resilient net inflows. Nevertheless, owing to both macro-economic and industry factors, outflows were substantially higher in the year. In contrast to FY22 – where sharply negative market movements in the second half reduced otherwise-robust net inflows – market movements this year were broadly positive.

Financial performance

Driven by the rise in FUD, revenue grew during the year. Annual commission on client funds remains the main contributor to revenue, whilst administration fees were the second largest component. T4A's contribution also increased during this year.

Underlying expenses rose in 2023, with most of the uplift stemming from our increase in staff costs. This is in line with our expectations, as the bulk of the IT software hires stipulated in our growth strategy fell within this year. Other cost increases were driven by both inflationary and scale-based factors, as the Group continues to invest in its key competencies.

The Group's IFRS profit before tax has risen by £8.3m, a 15% increase over the prior year. However, there is a decrease in underlying profit before tax from last year. The underlying figure excludes exceptional items, which were elevated in FY22 due to the impact of T4A post-combination remuneration and the VAT decision. The reduction in underlying profit before tax is driven by the increased investment in the business in this year and next year; we then anticipate the resultant improvements from scale and efficiency to start to come through from 2025.

The Group maintains its focus on organic platform growth, which has continued to yield steady increases in both FUD and revenue. Our aim is to achieve sustainable growth through incremental improvements to our proposition, thereby allowing us to continue providing the high quality of service to which we are committed.

Our people

We have continued with the IT and software professional hiring plan announced in mid-2022 and since then we have added 27 such employees. Based on this progress, we anticipate finalising the plan during 2024. We are already benefitting from the new expertise and scale, allowing us to accelerate our programme of platform improvement.

Given the importance of our people to the Group's success, we have made their wellbeing a priority during the year. Responding to feedback from the previous employee engagement survey, we have reworked our remuneration approach. This has led to a tiered pay rise, changes to the bonus system and enhanced maternity and paternity benefits.

We have selected a new CFO, Euan Marshall, who will be joining in January 2024. Euan brings with him significant experience in listed financial services companies and I look forward to working with him to execute on our Group strategy.

The Group has made other key senior hires, specifically our first UK-based Chief Technology Officer (CTO), Damien Francis, and a new Group Chief Risk Officer (CRO), Emma Vernon, both of whom joined in January 2023. These new perspectives and skills will strengthen our strategy as well as helping the Group adapt to key changes taking place in the industry.

Digitalisation programme

Led by our new CTO, our programme of platform digitalisation has delivered significant improvements. We have aimed to reduce as many paper routes as possible on the platform, especially those relating to account transfers, and we have introduced efficient, intuitive digital alternatives. The success of these initiatives means that now all new accounts opened on our platform are paperless and the majority of wrappers in portfolios are also opened on a paperless online basis.

Our adviser support team is now well established and has been making use of new support functionality to promptly address questions from our clients and advisers; through our live chat feature we have achieved a 96% query resolution rate. In addition to the technical improvements to the platform, we have sought also to expand our service offerings.

Our BlackRock Model Portfolio Service (MPS), launched in November 2022, has outperformed our expectations in terms of adviser and client interest. This service offers our clients access to flexible, diversified model portfolios investing in a broad range of markets.

Protecting our customers – Consumer Duty

Consumer Duty represented perhaps the largest regulatory change of the year, with the legislation taking effect in July 2023. Prioritising good outcomes for our clients and advisers has always been at the centre of the Group’s activities. We were well positioned to adapt to the new rules and have ensured the necessary changes have been implemented. This includes mandatory training for all employees and new joiners.

Our commitment to Consumer Duty is embodied in our approach to interest on client cash. With interest rates at their highest level in recent years, greater industry focus has been placed on the interest generated from client cash. In accordance with our ‘customer first’ principles, Transact does not take any client cash interest earned and instead passes it all onto our clients. At the time of writing, we are paying the highest interest rate across the UK platform sector to our clients.

Throughout 2023, we have moved forward with our sustainability initiatives including significantly increased monitoring of energy usage and waste, as well as applying tangible initiatives such as solar panels on our Melbourne office.

Outlook

The market outlook for the coming year is more optimistic than it was at the start of FY23 but headwinds are anticipated to persist. Inflation is expected to come down but at a pace that is as yet unknown, and the Bank of England base rate is predicted to remain at a higher level than has been seen in the past 10 years. By investing in the key drivers of our competitive advantage – our proprietary technology and our industry-leading customer service – the Group aims to continue to grow our adviser, client and FUD base.

Throughout FY24, we will continue our work on the platform digitalisation project. Our digitalisation approach will focus on further limiting paper-based forms and expanding straight-through processing. These technological developments will accelerate processing, making transfers quicker and easier for clients and advisers. We also seek to add additional data analysis functionality by making available to advisers more data on the transactions they perform.

Consumer Duty is expected to remain one of the most prominent features of the regulatory environment. We put positive consumer outcomes at the centre of our business model. To secure continued adherence to the new requirements, we will focus our training and development to ensure our people are well able to comply with the objectives of Consumer Duty.

Following the successful beta client test during the year, T4A's next generation Power Platform CURO software will commence roll out to the pipeline of adviser firms. We will seek further innovation including a data interface with the Transact platform.

In this period of ongoing economic and market volatility, clients rely more than ever on their advisers for high quality, personalised financial planning and support. As we have always done, we'll continue to support UK financial advisers and their clients by providing our combination of in-house technology and well-trained people delivering high quality service. Our holistic financial planning solution will serve clients and advisers alike in managing their portfolios easily and efficiently.

I would like to thank all my colleagues across the Group for their diligent work over the year. Their commitment and dedication have been crucial in working towards our strategic objective: to be the number one provider of software and services for our clients and their financial advisers. I look forward to continuing to grow our business and deliver on our strategy throughout FY24 and beyond.

Alexander Scott
IHP Group CEO

13 December 2023

MARKET OVERVIEW

Financial adviser outlook

The Group strategy focuses on providing best in class services and software that enable UK financial advisers to deliver financial plans for clients. The outlook for UK financial advisers is very positive. Consumer demand for advice continues to increase as responsibility for retirement savings and income gradually shifts from the UK government and employers to individuals. The complexity and ongoing changes to the tax system, plus changing attitudes towards work and retirement are also driving demand for advice. Only 31% of households with investable assets above £100,000 use a financial adviser, so there is scope for further growth. Financial adviser numbers are also important for T4A, where the primary revenue is derived from a licence fee per user.

Financial adviser dynamics

Over the past three years, the average size of adviser firms has gradually increased. There has been ongoing private equity investment into medium and large firms to support organic and inorganic growth strategies. However, some advisers and paraplanners in acquired firms leave and re-start their own businesses, so the pace of consolidation lags the rate of acquisitions.

Based on FCA data, the number of adviser firms reduced from 5,246 in 2018 to 5,118 in 2021, only 128 fewer firms. Independent financial advisers continue to win clients from private banks and traditional wealth managers, typically through a more objective, goals-based approach to financial planning. Transact and T4A enable these advisers. Many traditional wealth managers now offer their discretionary investment management (DIM) services via Transact to financial advisers; we now have over 120 DIMs available on the platform. Outsourced DIM services are increasingly popular with advisers seeking to reduce risk and cost while also freeing up time for financial planning.

Transact offers its platform services to small, medium and large financial adviser firms, whilst T4A is currently focused on medium and large financial adviser firms, including large consolidators and aggregators. Throughout the year, both Transact and T4A have increased their adviser numbers and licence numbers, respectively.

Advised platform outlook

Analysts estimate the total UK wealth management market at ~£3trn. Growth is dependent on macro factors such as asset returns, economic performance and the savings rate. The advised platform market is currently ~£600bn, a fast-growing sub-set of the UK wealth market.

Fundscape forecasts advised platform growth at ~11% per annum over the next five years. Transact's target market is growing because platforms provide access to a wide range of assets, consolidated reporting, investment and retirement income functionality across all tax wrappers. Workplace pensions, legacy life and pension products, direct to customer products are migrated onto platforms by financial advisers.

The schematic in figure 1 illustrates the contestable market for platforms. This process often takes place when clients have accumulated some wealth as the benefits of consolidation are greater. Growth in platform assets is especially important for Transact where the primary revenue model is a tiered basis point fee.

The schematic in figure 1 also demonstrates at a high level how financial advisers and the advised platform market fit into the broader UK wealth management market. Advisers and platforms are replacing private sector defined benefit schemes as the key channel for affluent clients pre-, at and post-retirement. Furthermore, advisers are helping clients pass wealth to children and grandchildren. More than 50% of client portfolios on Transact are within linked family groups. Advisers are improving how they engage the next generation and retain them as clients.

FIGURE 1. HOW ADVISERS AND PLATFORMS FIT INTO THE UK WEALTH MARKET

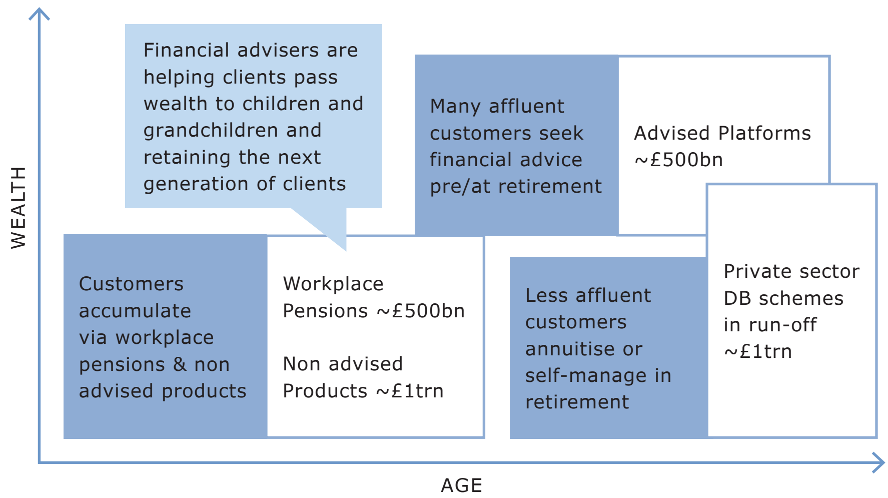
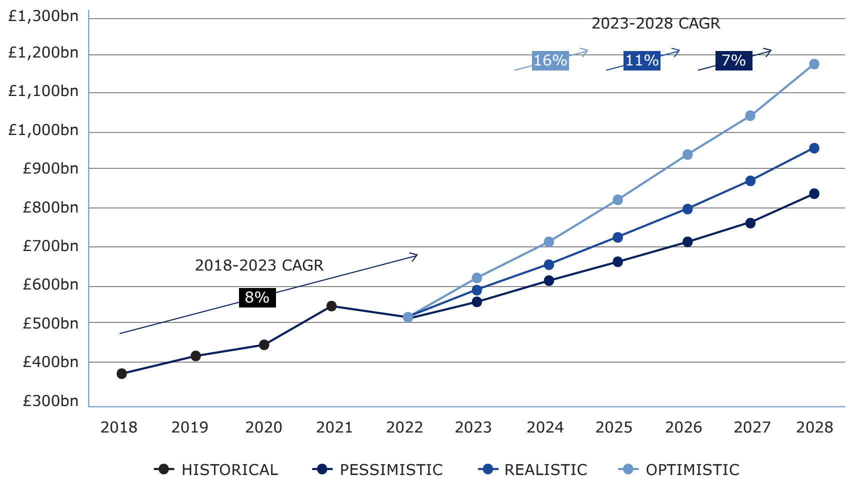


FIGURE 2. ADVISER PLATFORM ASSET GROWTH FORECAST



Source: Fundscape Q323 November

Adviser and client numbers

Transact's target market consists of the approximately 13,000 registered UK financial advisers that are not tied or restricted in their choice of platform. At the end of FY23, 7,683 such advisers were registered with the Transact platform, compared to 7,537 in the previous year. There remains a large pool of around 5,000 UK financial advisers in our contestable market. This constitutes a significant growth opportunity for us.

Our client growth comes from existing registered advisers who introduce more clients to Transact and from new advisers registering with Transact.

These two sources have led to our client numbers growing by over 5,000 to 230,294.

We continue to survey our advisers to better understand their needs and the needs of their clients. This survey shows that of our advisers, the majority use Transact as their 1st choice and 72.1% are "satisfied" or "very satisfied" with our service.

Industry publications attest to the effectiveness of our platform, with Transact as the highest-ranking platform above >£30bn FUD in the CoreData survey. Our programme of platform improvements aims to further develop platform functionality and maintain our industry-leading satisfaction scores.

Market outlook

The advised platform market is expected to grow over the next few years, driven by rising adviser numbers and investor assets.

Transact remains well-positioned within the market, with our compelling business proposition. Our focus remains on organic growth through continuous improvements to platform functionality and maintaining our leading customer service. This strategy has yielded robust growth in FUD and client/adviser numbers, despite the challenging conditions of the past year. Nevertheless, we continue to look for ways to incorporate innovations in our technology to add further value to users of our platform.

The market remains competitive. However, our proprietary technology and award-winning client service focus continues to distinguish our offering. We remain committed to providing high quality service and clear value-for-money for our clients and their advisers.

Jonathan Gunby
Transact CEO

13 December 2023

Note "Transact" is the operating name of the investment platform run by Integrated Financial Arrangements Ltd (IFAL).

STRATEGY AND BUSINESS MODEL

Our strategy and business model

IHP Group has two core business propositions, which complement each other to make financial planning easier for clients and their UK financial advisers. We do this by harnessing technology, allied with high quality human service. We prefer to insource, and so we own and develop our own software. Transact – our investment platform - aims to make financial planning easier and CURO – our adviser practice management solution - supports advisers through the financial advice process.

> **"Do the right thing"**
>
> This is our core value, which we believe ensures the right outcomes for all our stakeholders.

How?

Through our market-leading investment platform which makes financial planning easier and CURO software that supports the financial advice process. The systems enable advisers to implement financial plans for our mutual clients, simply and efficiently, actively supported by skilled client service and adviser support teams. Our people provide responsive and proactive customer service support on a range of queries. Through our two core offerings, we aim to be the number one provider of software and services for clients and UK financial advisers.

Transact strategy

Transact's strategy is to make financial planning easier for financial advisers and our shared clients. We deliver this by offering comprehensive platform functionality and leading customer service at a competitive price.

Leading functionality

We lead the market on wrapper choice, client reporting, retirement income functionality and investment choice for advisers and clients. This is supported by independent adviser research from CoreData:

FIGURE 3. MARKET LEADING PLATFORM FUNCTIONALITY

Schematic CoreData 2023 results (Large Platform Category >£30bn)

Our functionality is enabled by our software development capability and our focus on advisers. We have an expert in-house software development team in Melbourne, Australia where supply/demand dynamics for the specific skilled developers that we need are superior to the UK. Our average developer tenure is ~9 years, well above industry standards. It also means we are invested in code quality and maintenance not just delivering new features and building long-term complexity.

Leading service

We have a regional service model so advisers and their support team can build long-term relationships with our operational staff. This helps us to be more responsive, take more ownership and solve problems faster than other platforms. Last year, we created specialist roles to improve our service on the most complex adviser processes and create career progression for our people. As we further digitalise the business, we have invested in our online live chat and co-browse functionality which has proved very popular with advisers. Our service is enabled by our software capability and our ownership of all tax wrappers. Owning tax wrappers means the adviser and client experience is consistent and seamless across General Investment Accounts (GIAs), Individual Savings Accounts (ISAs), pensions, onshore and offshore bonds.

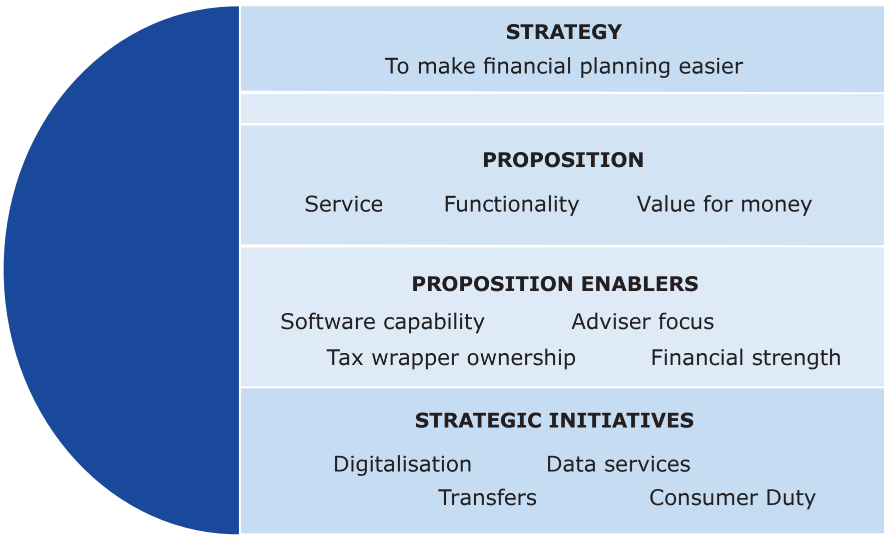
Value for money

We have implemented discounts and initiatives to simplify our charges. For example, in FY22 we removed wrapper fees on junior pensions and in FY23, we reduced our buy commission threshold, so no buy commission is payable by family group portfolios over £100,000.

We are competitive on price and lead on value for money, particularly with the inclusion of interest on client cash. Our interest rates on client cash are market leading as we have always passed on 100% of interest to the client, we do not skim client interest or "double dip". Transact pays out one of the highest effective rates on client cash in the industry. This has proven very popular with advisers and clients, particularly as interest rates have increased. FCA attention around client cash interest has grown as interest rates have risen; we believe our approach is more in the spirit of the recently implemented Consumer Duty regulation.

Advisers value the sustainability of our pricing, our profitability and our financial strength. This helps to differentiate us from unprofitable new entrants as well as many incumbent platforms.

FIGURE 4. TRANSACT'S STRATEGY AND BUSINESS MODEL



The schematic in figure 4, above, illustrates our strategy and business model. In a recent independent adviser study, ~25% of advisers cited Transact as the platform leader, more than double any other player. In the same study, more advisers say they are considering switching to Transact than to any other platform. However, we will not be complacent. The key strategic initiatives for Transact are greater digitalisation, data services, transfers, and Consumer Duty. The first three initiatives are important elements of our platform functionality and service that we want to improve and stay ahead of competitors.

Our final strategic initiative is the FCA's Consumer Duty. We have always put the clients at the heart of our business. But we will take more responsibility for supply chain oversight and invest more in our non-advised proposition to meet the new Consumer Duty standards. In addition, we have made changes to our governance, training, and reporting and commenced projects to address potential consumer harm risks.

T4A Strategy

T4A's goal is to enable UK financial advisers to run their businesses more efficiently by leveraging modern technology to help transform the way they work. To facilitate this, we continue to provide CURO 3 – the current cloud-hosted version – and have also developed CURO on Power Platform as a next generation, Microsoft cloud-hosted solution.

Comprehensive functionality

CURO is designed and built to support the entire advice process from the initial engagement, information gathering and analysis, financial needs assessment, solutions and recommendations, implementation to ongoing review and monitoring.

CURO enables firms to leverage the value of their data, which is centralised and securely hosted on Microsoft's Power Platform. Using Microsoft's fully integrated applications such as Power BI, Excel, Word and Power Automate, firms can extract invaluable business insights and efficiencies through business and document automation.

T4A employs a team that is highly experienced in the fields of software development and financial services. The business also surveys users extensively to understand their needs and to continue expanding the service offering, to better serve the goal of providing the best solution in the market.

Leading integrations

T4A works strategically with recognised and market-leading software partners to help users avoid duplicated data entry, to remove error and time waste; it achieves this through secure data sharing using Microsoft's Web API.

In addition to this expansive range of integrations, T4A will build an integration between CURO and the Transact platform. Through this synergy, we aim to bring further efficiencies to those advisers who make use of both of our software solutions.

OUR STRATEGIC FINANCIAL OBJECTIVES

Achievement of our strategic financial objectives comes through the continuing successful delivery of our Transact and CURO propositions.

The key drivers are:

INCREASING MARKET SHARE	Increasing market share by growing and retaining the adviser users of both our investment platform and CURO software. Growing both platform and CURO users increases Group revenue;
INVESTING	Investing in our people and software in order that the Group can continue to provide best in class service and to enhance our offerings, but focusing on efficiency and making our financial investment work for us;
STRONG CASH PROFITS	Prudent expense management that ensures we continue to generate strong cash profits for the benefit of all our key stakeholders; and
MINDFUL CAPITAL MANAGEMENT	Mindful capital management, evidenced by robust cash reserves, which means we are well placed to weather and capitalise on any economic environment that prevails.

Strategic financial objectives and key risks

Our strategic financial priorities and the key risks to achieving them are below, they sit alongside risk management activities and controls, on pages 60 to 68.

Sustainable FUD growth and CURO user growth

How?

We put client and adviser experience at the heart of our business model through superior service and software offerings. We believe this is key to attracting and retaining advisers, users of our investment platform and of our CURO software.

Therefore, by continuously developing the service we offer, by prudently seeking to reduce, or simply maintain, charges and by considering investment opportunities that may enhance the Group proposition, we achieve growth and retention.

FY23 progress

Investment platform FUD has grown by 10% year on year to £55.0 billion. This is due to both positive net flows of £2.7 billion, plus positive stock market movements of £2.3 billion.

Advisers using the Transact platform increased by 2% and CURO users increased by 22%.

We have achieved resilient net inflows through the service that we continue to develop and invest in.

FY24 outlook

The global macro-economic outlook is challenging and we recognise increasing competition in the market place.

However, we will continue to target advisers not yet using our services that are in our identified core markets. We will continue to focus on service and retaining existing UK advisers and their clients, in addition to encourage adviser users to move additional clients onto Transact, as they have experienced the benefits that our service brings.

T4A will focus on rolling out next generation CURO, and continue to support the existing CURO3 software and users.

Key risks

- Service standard failure
- Stock market volatility impacting FUD
- Strong, well capitalised market entrants leading to increased platform outflows and suppressed net inflows.

Key financial performance indicator

- Average FUD
- Client growth
- Client retention
- Adviser growth
- Net inflows

Invest

How?

We have a proven track record of investing in our people and all aspects of our technology, therefore ensuring our service quality and software remains award winning and operationally resilient.

We aim to continue to generate profits and generate the best outcomes for all key stake holders, but investment decisions must not:

- Risk Group capital beyond reasonable levels;
- Bring the Group into commercial conflict with our target market;
- Make it difficult for us to meet our regulatory responsibilities.

FY23 progress

£17.1 million (FY22: £14.1 million) invested in platform and CURO (and next generation CURO) development in the year. This is comprised of platform developer and management cost, acquisition of new equipment and training costs.

We continued the investment platform digitalisation initiative in FY23, due to the efficiencies and improved service that it generates for clients and their advisers, it also generates efficiencies for us.

T4A's FY23 priority was continuing the live testing of next generation CURO.

FY24 outlook

We will continue the IT and platform developer recruitment plan that is well underway, investing in additional headcount to support systems and investment platform development.

We have systems developments that are already designed and timetabled that will be implemented and we look forward to making further enhancements that benefit and support the client and adviser online experience in financial year 2024, as well as driving efficiencies through our operations.

Key risks

- Diversion of development resource away from proposition technology enhancements
- Fall in employee retention across the Group

Key financial performance indicator

- Profit before tax
- Operating margin

Increase earnings

How?

Through growing client FUD and wrappers on the investment platform and by increasing T4A CURO users, we increase revenue.

We achieve the FUD and wrapper growth by retaining and increasing penetration of our current adviser base and by attracting new adviser users.

We aim to maintain our strong ratings amongst advisers and increase our share of wallet from contestable advisers in the market.

We are mindful of competition in the market and are not complacent, hence we invest prudently and maintain focus on what we do well.

FY23 progress

Average FUD through the year increased by 2% from £52.5 billion in FY22 to £53.6 billion in FY23, this led to a £0.4 million increase in investment platform revenue to £130.1 million (2022: £129.7 million).

T4A's licence and consultancy fee income grew from £3.9 million for FY22, to £4.8 million for FY23. The growth is attributable to recurring revenue from existing CURO user licences.

FY24 outlook

Again, the financial year closes on a challenging economic outlook.

To protect revenue, we will continue to focus on investing in the investment platform, CURO and next generation CURO, so that we support and retain existing users and increase market share.

Key risks

- Service standard failure
- Stock market volatility impacting FUD
- Strong, well capitalised market entrants leading to increased platform outflows and suppressed net inflows.

Key financial performance indicator

- Average FUD
- Net inflows

Generate cash

How?

We are a highly cash generative business as all fees are received as cash, as they become due and payable. We expect to continue generating cash profits.

Shareholder cash has increased over time, enabling reinvestment and ensuring we remain well capitalised over and above our regulatory capital requirement.

We will continue our controlled approach to expense management and we expect to continue generating resilient cash profits.

FY23 progress

IFRS profit before tax in FY23, generating profits from the cash received, was £62.6 million, which is an increase of 15% from £54.3 million in FY22.

The rise in PBT is due to the net effect of: recognition and settlement of the backdated VAT liability of £9.4 million, plus interest of £0.8 million in FY22; and an increase in admin expenses, as forecast and detailed in the Financial review on page 53, in FY23.

FY24 outlook

We will continue to manage all Group expenses carefully and monitor against projections, whilst continuing to invest as necessary in our people and system development. It is expected the Group's strong liquidity profile will be maintained.

Key risks

- Service standard failure
- Stock market volatility impacting FUD
- Strong, well capitalised market entrants leading to increased platform outflows and suppressed net inflows.
- Uncontrolled expenses

Key financial performance indicator

- Average FUD
- Profit before tax
- Operating margin
- Earnings per share

Retain strong balance sheet

How?

We maintain robust capital resources, supported by emerging profit. We have no debt and our regulatory capital position remains resilient through the economic cycle.

FY23 progress

The Group capital position, as defined by Group net assets, grew 9% and ended the year at £189.5 million, up from £163.2 million at the end of FY22.

FY24 outlook

We will continue to manage our capital prudently, to enable us to meet our regulatory capital requirements as the business grows.

Key risks

- Stock market volatility impacting FUD
- Capital strain

Key financial performance indicator

- Shareholder funds

Deliver on dividend policy

How?

Our policy is to pay between 60% and 65% of full year profit before tax as two interim dividends.

FY23 progress

A first interim dividend was paid of 3.2p per ordinary share and a second interim dividend declared of 7.0 pence per ordinary share, in line with our dividend policy (after excluding non-underlying expenses).

FY24 outlook

Our dividend policy remains unchanged, however, our income may be impacted by continuing market uncertainty due to the Russian invasion of Ukraine, the Israel war with Hamas, high inflationary pressure on all costs, including recruitment, and political instability.

Key risks

- Stock market volatility impacting FUD
- Uncontrolled expenses
- Capital strain

Key financial performance indicator

- Cash generation
- Earnings per share

KEY FINANCIAL PERFORMANCE INDICATORS

We have several quantifiable measures that we use to measure the performance of our business against our strategic financial objectives.

Our key financial performance indicators and performance over the last three financial years are presented in the charts that follow.

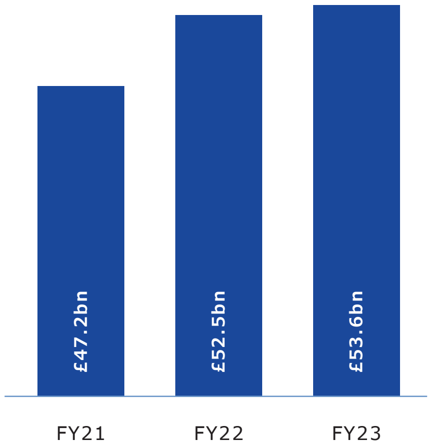
LINK TO STRATEGIC FINANCIAL OBJECTIVES:

Drive growth | Invest | Earnings
Cash generation | Strong balance sheet | Dividend policy

Average daily FUD* £53.6 billion (+2%)

The value of average daily FUD is the primary driver of Group revenue, as it is the basis of the annual commission charge, which constitutes 86% of Group revenue. The value of average daily FUD generates cash and drives earnings growth.

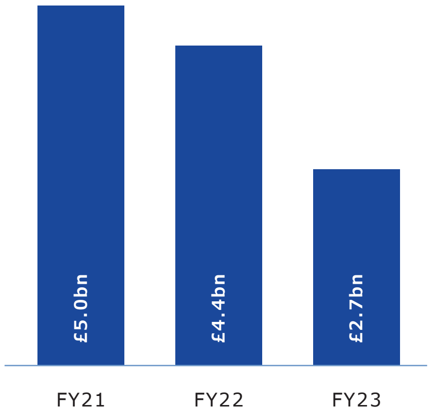
As markets have stabilised during the financial year, albeit with some day to day volatility, so average daily FUD has increased by 2% compared to FY22.



Net inflows* of £2.7 billion (-39%)

Net inflows are a crucial component of FUD growth and drive cash generation and earnings growth.

Whilst net flows have decreased year on year, our market share has risen to 25%, demonstrating the strength of our proposition through challenging macro economic conditions.



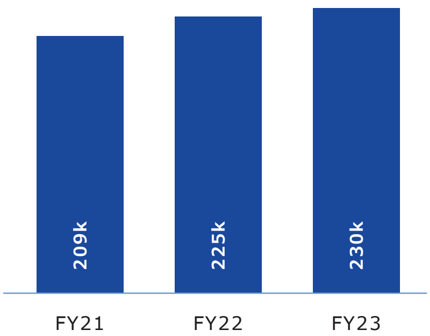
*Our KPIs include alternative performance measures (APMs) which are indicated with an asterisk. APMs are financial measures which are not defined by IFRS. They are used in order to provide better insight into the performance of the Group. Further details are provided in the glossary, on page 235.

230,294 clients* (+2%)

Client numbers continue to grow at a steady rate, although a project to close portfolios with small residual balances impacted growth in FY23.

Advisers bring new clients and new flows to the platform, as well as their existing clients bringing new flows.

Clients are a driver of FUD and wrapper numbers, which generates cash through annual fees and wrapper charges, which grows earnings. Our client retention rate remains impressive.



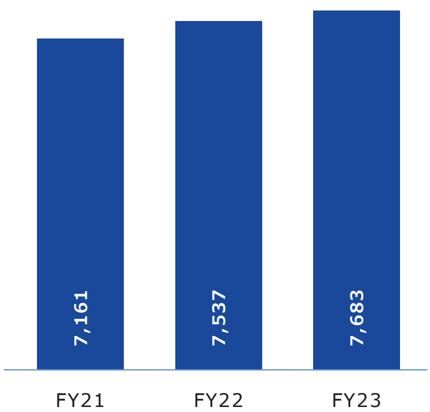
Client retention* 95% (-2%)

FINANCIAL YEAR	2021	2022	2023
Levels of client retention	96%	97%	95%

Client retention is an important measure of satisfaction. It is also a driver of ongoing revenue and we attribute our strong client retention levels to satisfaction with our service and offering. The slight reduction in FY23 is due to the removal of clients with small residual balances.

7,683 advisers registered on the investment platform* (+2%)

We continue to experience steady growth in the number of advisers using the platform, driving FUD, cash generation and earnings growth. As with client numbers, a project to close portfolios with small residual balances impacted growth in FY23.

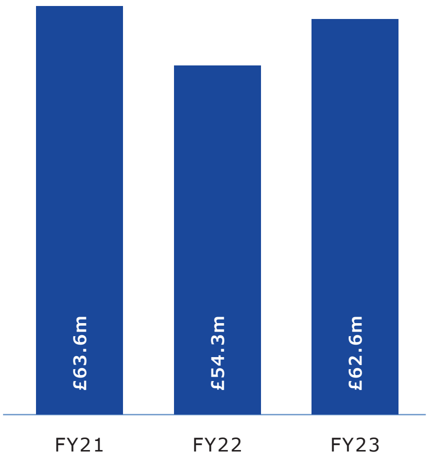


*Our KPIs include alternative performance measures (APMs) which are indicated with an asterisk. APMs are financial measures which are not defined by IFRS. They are used in order to provide better insight into the performance of the Group. Further details are provided in the glossary, on page 235.

IFRS profit before tax £62.6 million (+15%)

IFRS profit before tax has increased by £8.3m (15%) in FY23. The material factors driving the increase are: total revenue and interest income increasing by £7.0m, underlying expenses increasing by £9.4m and non-underlying expenses reducing by £11.1m.

The drivers of the material movements are explained in the Financial Review on page 53.

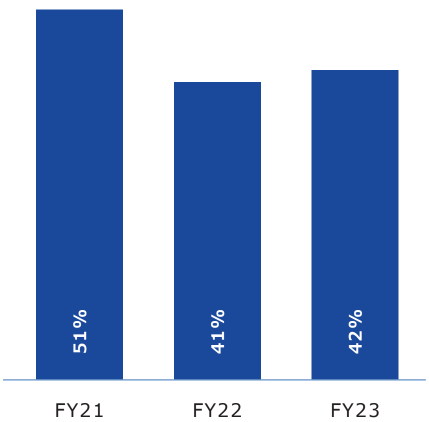


Operating margin 42% (+4%)

Operating margin is operating profit over revenue, expressed as a %, representing the % of revenue that translates to profit.

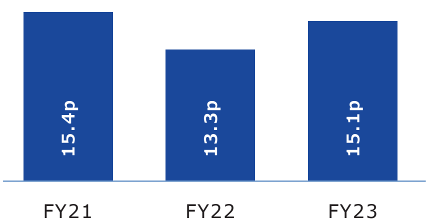
Operating margin has fallen over the last two years, relative to the highs of previous years, due to the planned increases to the expense base, primarily driven by increases in staff costs and also the impact of non-underlying expenses.

Operating margin remains robust for the sector.



IFRS Earnings per share 15.1p (+13%)

Earnings per share is a measure of the amount of profit after tax the Group has generated for shares in issues and the value generated for shareholders. EPS has increased in FY23 as profit after tax has increased year-on-year.



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Foreword from Victoria Cochrane – Designated Group Non-Executive Director for Environmental and Social Sustainability (ESS)

Following our first report on the Task Force on Climate-Related Financial Disclosures (TCFD) last year, over the past 12 months we have made good progress in developing and enhancing our carbon reporting and climate change management.

We are supportive of the UK government's overall ambition to reach a net zero position by 2050 and continue to be committed to meeting or exceeding this goal.

During the year we engaged Brite Green Limited, an independent sustainability consultancy, to assist us in better understanding the climate related risks to our business as well as the material strategic, tactical and operational opportunities we can leverage on our pathway towards net zero. There have been sensible and constructive recommendations and we will seek to make changes to reduce our controllable emissions as early as practically possible and to develop our strategic offering in a manner that promotes the development of our business as well as supports the needs of advisers, clients, and our people.

To enhance our assessment and understanding of the impacts, risks, and opportunities climate change presents for our business, we have also conducted climate scenario analysis based on global-mean temperature rises of 1.5 degrees (the expected outcome of meeting net zero targets by 2050), 2 degrees (transition is delayed by 5-10 years) and 2.6 degrees (based on current national pledges for reducing emissions).

The board has overseen the approach and activities being undertaken, providing review and challenge to the recommendations identified as and supporting the management team who are actively managing our material climate-related risks and opportunities. Informed by the insights from this work, our developing climate change strategy sets clear objectives, with initiatives to deliver in the short (up to 2025), medium (up to 2035) and longer term (up to 2050).

Our search for new premises for the London head office presents a significant short-to-medium-term opportunity to reduce our carbon footprint. By incorporating sustainability criteria into the new premises selection process, in conjunction with the data and understanding we have gathered about our office space utilisation following our hybrid working model, we have the opportunity to considerably reduce our Scope 1 and 2 operational carbon emissions.

During FY23, the board set specific targets for carbon reduction, our performance over FY24 will be measured and monitored against these targets and initiatives.

Our climate change journey

We have made positive strides during the year in understanding and defining the next steps of our climate change journey. Key highlights include the following:

Resource enhancements – we have strengthened our capability by appointing a dedicated resource covering our Group sustainability agenda. The individual has responsibility for: documenting Group standards and procedures; collating and measuring carbon emissions; monitoring progress on climate related strategies; working closely with the functional areas of the business to ensure that impacts of risks and opportunities are understood and timely and effectively captured and managed; ensuring that sustainability strategies are embedded into the business plans of the senior leadership team.

Independent consultancy review – we engaged Brite Green to undertake an independent review across several areas. This included a review of our approach and procedures towards the collection and reporting of our Scope 1, 2 and 3 greenhouse gas emissions; recommendations on carbon reduction strategies as part of our journey towards our net zero objective; assistance in defining strategic climate change opportunities for the business and a roadmap towards more robust and insightful reporting.

Approach improvements – the independent consultancy review has resulted in significant improvements to our carbon data collection approach and processes. As a consequence, we have broadened the boundaries of our Scope 3 data to include emissions from purchased goods and services and capital spend as well as to re-calibrate certain categories, e.g. wastewater, from the position previously reported. These are set out in detail under the metrics section of this report. As a result of improved data collection and corrections to some of the calculations, we will be restating the FY22 prior year data for Scope 1, 2 and 3 emissions which we will adopt as the revised baseline against which to measure future target reductions.

Carbon reduction implementation initiative – an important initiative delivered this year has been the installation of solar panels on the roof of our office in Melbourne. This is expected to provide up to 57 MWh annually of electricity for the business. This is equivalent to 5% of the Group's energy use, but 12% of the Group's Scope 2 carbon emissions due to the higher carbon intensity of the Australian national grid compared to the UK. We are in the process of moving our London office-based data centre off-premise into more energy efficient premises. Both these initiatives will reduce Scope 2 emissions going forward.

Carbon reduction opportunities – the board has been presented with a range of opportunities that focus on four key themes:

1. Premises and flexible working
2. National differences in energy emissions
3. Site energy sources
4. Data centre environments

By contrast, significantly more effort and consideration will be needed in areas categorised under Scope 3, typically our purchased goods and services and the asset owned investments.

We recognise that despite the progress made this year, we still have a lot of work to do.

Understanding and managing climate change impacts from, and on, the business is an iterative process and we are planning to address the following aspects next year:

- Producing carbon emission reduction plans that align with science-based target best practice.
- Committing to a climate transition plan to outline how we will become carbon net zero by 2050 or before.
- Establishing a sustainability forum comprised of members of the senior management team who will drive forward the agreed strategy at an operational level.
- Encouraging employee engagement through training, workshops, and employee forums.
- Establishing a climate-related risk on the corporate risk register.

In addition to the above, we anticipate in the medium term looking into the following:

- Understanding and embracing the reporting and other requirements under Taskforce for Nature-related Financial Disclosures (TNFD) and standards developed, but yet to be adopted by the UK, on sustainability reporting by the International Accounting Standard Board (IASB) and International Sustainability Standards Board (ISSB).
- Drafting a plan for transition to a lower-carbon economy using the Transition Plan Taskforce (TPT) disclosure framework published in October 2023 within our future reporting.
- Looking at the emissions generated in our supply chain and drafting a Sustainable Supply Chain Charter.
- Keeping abreast of the quality of environmental, social and governance (ESG) metrics for assets held on the Transact platform to potentially enable clients and financial advisers to make more informed investment decisions.

Underlying these initiatives, we will continue to measure and report our carbon emissions and the progress towards the reductions achieved to ensure that we meet the goal of being carbon zero in the decade leading up to 2050.

Victoria Cochrane
Environmental and Social Sustainability Non-Executive Director

13 December 2023

The basis of our approach to TCFD reporting

Our TCFD report follows the recommended guidance published in October 2021 covering the financial disclosures, and as part of our obligations required under Listing Rule 9.8.6R. The financial impacts have been assessed to the extent that we have been able to measure these through the application of appropriate analytical assessments based on the available information to the Group.

The Supplemental Guidance for the Financial Sector, in particular the guidance for the insurance sector and for asset owners, has been considered but has not been deemed relevant due to the nature of the insurance contracts written by the insurance companies in the Group and the investment strategies not being under the control of the Group. Our TCFD report reflects the activities undertaken by the Group during financial year 2023. All Group entities, including the regulated entities, have been considered when identifying and measuring the climate-related financial impacts, risks and opportunities, and their impact, which have been incorporated on a consolidated basis within this report.

TCFD Disclosure Summary

The TCFD's recommendations were first launched in 2017 with disclosures structured around four themes, governance, strategy, risk management and metrics and targets. In support of these themes there are 11 recommendations that provide guidance for developing effective disclosure. Here we set out these requirements and the approach adopted in our disclosures. We have assessed our current disclosure against the recommendations and identified the areas where further opportunities exist for enhancing our Group activities and reporting.

TABLE 1. TCFD DISCLOSURE SUMMARY

THEME	DESCRIPTION	TCFD RECOMMENDED DISCLOSURE	PAGES	OUR DISCLOSURE
Governance	Disclose the organisations governance around climate-related risks and opportunities.	• Describe the board's oversight of climate-related risks and opportunities. • Describe management's role in assessing and managing of climate-related risks and opportunities.	28-30	• We have set out in more detail the responsibilities and activities of the board and its committees with support from the ESS DNED. • We have explained how management has participated in defining risks and opportunities. Inclusion of a sustainability forum into the governance structure.

FURTHER OPPORTUNITIES FOR IMPROVEMENT

- Establish and embed the sustainability forum into operational practices.
- Develop deeper climate change knowledge across the board, management team and broader people base.

THEME	DESCRIPTION	TCFD RECOMMENDED DISCLOSURE	PAGES	OUR DISCLOSURE
Strategy	Describe the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	• Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and longer term. • Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning. • Describe the resiliency of the organisation's strategy taking into consideration different climate related scenarios, including a 2°C or lower scenario.	31-39	• Defined short, medium and longer-term time horizon strategies for the Group. • We have set out our assessment of how climate-related risk drivers affect our strategy and business objectives, operations, clients, and products. • Our Group-wide scenarios have identified risks and opportunities to our strategy. We have assessed the impact of these against business viability and resiliency. • We have explained that we have not yet incorporated the impact of risks and opportunities into our financial planning.

FURTHER OPPORTUNITIES FOR IMPROVEMENT

- Continue to refine scenario assessments.
- Develop further strategies and procedures to manage risks and capture strategic opportunities.
- Reflect climate-related risks and opportunities into the financial planning process as appropriate.

THEME	DESCRIPTION	TCFD RECOMMENDED DISCLOSURE	PAGES	OUR DISCLOSURE
Risk management	Disclose how the organisation identifies, assesses, and manages climate-related risks.	• Describe the organisation processes for identifying and assessing climate-related risks. • Describe the organisation processes for managing climate-related risks. • Describe how the processes for identifying, assessing, and managing climate-related risks are integrated into the organisations overall risk management	40	• We have explained how the approach toward the identification and management of climate-related risks is integrated into the Group Risk Management Framework. This includes a measurement basis consistent with other risks facing the Group. • We have set out our assessment of how climate-related changes impacts the Group and creates risks and opportunities.

FURTHER OPPORTUNITIES FOR IMPROVEMENT

- Maintain appropriate corporate risk register entries to ensure climate-related risks remain on the agenda.
- Embed into regular process management and functional review and assessment of climate-related risks.

THEME	DESCRIPTION	TCFD RECOMMENDED DISCLOSURE	PAGES	OUR DISCLOSURE
Metrics and targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	• Disclose the metrics and targets used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process. • Disclose Scope 1, 2 and 3 greenhouse gas (GHG) emissions, and related risks.	40-44	• We have reported our operational scope 1, 2 and 3 emissions having reassessed the coverage and conversion factors this year. • We have restated our 2022 position and plan to use this as the revised baseline position. • Operational Scope 1 and 2 targets have been set. Scope 3 targets will be developed for disclosure in financial year 2024.

FURTHER OPPORTUNITIES FOR IMPROVEMENT

- Set operational emissions reduction targets.
- Embed delivery performance metrics.
- Develop further transition targets and plans.
- Continue to monitor the availability of ESG related data for life company and platform held assets.
- Assurance certification of data reported.

1. Governance

Board and board committees

The board provides leadership and direction and is accountable for the long-term success of the Group. It sets the Group strategic objectives, see pages 13 to 15, within a risk appetite framework. The board is ultimately responsible for risks and opportunities facing the business, including those related to climate change.

The Group board has assigned a DNED, Victoria Cochrane, to oversee our Environmental and Social Sustainability (ESS) agenda. Victoria assists the board in ensuring the Group has appropriate environmental and social strategies that are integrated with its core business strategy and contribute to the long-term sustainability of the Group; reviewing the strategies, policies and performance in relation to environmental and social matters, suggesting ways to drive improvement in these areas, and ensuring these strategies continue to evolve and are aligned to the culture and values of the Group.

In support of the board and Victoria, key tasks have been assigned to two board committees:

- the IHP Audit and Risk Committee (ARC) which has the responsibility for overseeing the process of identifying climate-related risks and opportunities and reviewing and challenging the assurance, where performed, over the Group's TCFD reporting requirements; and
- the IHP Remuneration Committee (RemCo) which is responsible for including climate-related and ESS factors into executive and company reward.

Collectively these ensure that the following responsibilities are met:

- establishing clear strategic goals with appropriate supporting business plans and resources
- monitoring strategy implementation, financial performance and the integrity of reporting
- ensuring that effective audit, risk management and compliance systems are in place and monitored.

The structure of our climate governance is set out in figure 1. below, with details of roles and responsibilities for our climate-change approach reflected in table 2.

Management's role in assessing and managing climate-risks and opportunities

Following a review of our climate change management practices, we have expanded our climate governance structure to support greater ownership and accountability for climate issues at all levels in the business. Building from this, we aim, over the course of financial year 2024, to strengthen the ownership of climate issues across the entire business and develop focused action plans aligned to reduction targets for key business functions to manage and progress.

FIGURE 1. GOVERNANCE STRUCTURE

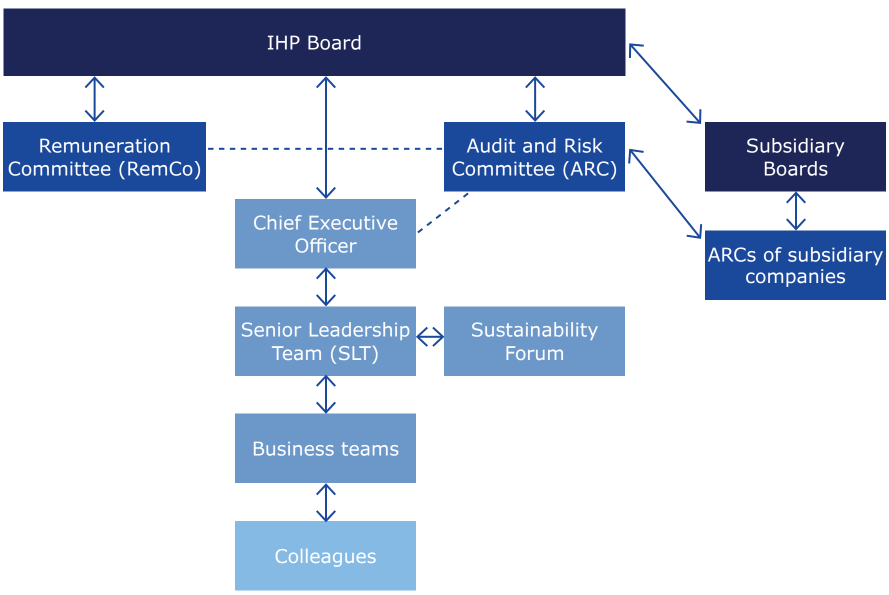


TABLE 2. ROLES AND RESPONSIBILITIES

IHP board and ESS DNED	The board provides leadership, setting the Group strategy, and is accountable for the long-term sustainability of the Group. It ensures likely risks and opportunities are reflected in the corporate strategy and budgets and ensures sound operating practices are embedded into the business. The Chair of the board ensures the board meets its responsibilities which includes climate change. Assisted by the ESS DNED, they ensure climate-related matters actions and strategies are included on the board meeting agendas at least three times during the financial year and are considered as part of the board decisions and strategy contributing to the long-term sustainability of IntegraFin.
IHP board committees: Audit and Risk Committee (ARC), Remuneration Committee (RemCo)	The ARC is responsible for oversight of risks to the business including those arising from climate-related scenarios. ARC challenges management on progress of actions identified to manage the risks and improve the overall control environment. The ARC has responsibility for monitoring the quality of reporting of the Group's GHG emissions and future decarbonisation targets within the TCFD disclosure. The Group Chief Risk Officer (CRO) oversees the delivery, completeness, and quality of the full TCFD report. The Group Internal Audit team undertake thematic reviews of processes, procedures, and controls and suggest improvements. Both will utilise external consultants and expertise when needed. RemCo supports governance accountability by linking deliverables with remuneration. TCFD and ESS targets will be reviewed in 2024.
CEO – IHP	The CEO, in conjunction with the board, defines the strategy, values and culture of the Group. The CEO sets the leadership tone and leads the senior leadership team in delivering the Group strategy and achievement of business targets. This includes responsibility for ensuring climate-related change is embedded into the Group's business strategy and plans.
Senior leadership team (SLT)	The SLT apply the plans to their business operations in support of the CEO. They are responsible for business risk identification, including climate-related change and scenario risk and opportunities assessments. In this regard they support the ARC with risk management activities. They are responsible for embedding actions into their business plans, and support emissions data gathering and delivering against targets.
Sustainability Forum and Sustainability Manager	We will be implementing a Sustainability Forum comprising members of the SLT who will be responsible for supporting and driving the implementation of the broader sustainability agenda. The forum will support the CEO and SLT in delivering the wider Group sustainability plans and initiatives and embedding a climate-aware Group culture. The forum will be supported by the Sustainability Manager who provides internal expertise to colleagues. Collectively the forum and Sustainability Manager project manage the TCFD reporting process.
Business teams and Employees	Business teams are responsible for identifying material climate change risks, opportunities and impacts and for owning and/or supporting the delivery of related actions. This may include the update and modification of processes operated within the business. The Group aspires to ensure that climate change and the wider sustainability agenda is embedded within the culture of our business. Over the coming year we will strive to ensure that our employees are engaged in understanding the issues and impacts. We recognise that employees are usually the first to see the change opportunities and we plan to utilise the employee engagement forum to engage colleagues in managing the risks and opportunities and supporting the implementation plans.

Progress during the year

During FY23, we set out to enhance our understanding of relevant climate risks and opportunities for the business, improve our carbon reporting and establish a roadmap towards setting a net zero carbon target. The board has overseen progress of this programme across the year and we are in the process of developing a performance dashboard to provide the board with ongoing performance data.

Our board and senior management team have also completed training on the legal, economic, and strategic aspects of climate change risks and opportunities during the year.

Management conducted its first climate scenario analysis which provided further insight into climate-related risks and opportunities. These outcomes have been presented to the ARC and board. The risks and opportunities are considered by the board and management when setting and updating strategy, this includes any financial impacts and assessment through the Company's viability testing.

Remuneration

In FY23, performance-based awards of executive directors were referenced against four key areas, one of these was risk, regulation and ESG.

More detail on how these were measured can be found in the Remuneration section on pages 131 to 133.

How climate-related risks and opportunities are considered across our Group

We have continued to embed the consideration of climate-related risks and opportunities across our business throughout the year. This includes engaging the business functions across a range of activities, examples of which are set out in the table below.

TABLE 3. EXAMPLES OF CLIMATE-RELATED BUSINESS ACTIVITIES

ACTIVITY	CONSIDERATION
Operations	Monitoring and management of our buildings' exposure to climate-related risks. Measurement and management of operational emissions.
Procurement and Supply management (including IT services)	Monitoring suppliers' contribution to our GHG emissions and considering the resiliency of suppliers against potential climate-related risks.
Actuarial and Risk	Developed our approaches within our Group's regulated entities ICARA and ORSA processes reflecting on the risks and impacts of climate-related changes.
Internal Audit	Incorporated the assessment of climate-related risks and management processes into our annual internal audit review plans.
Compliance	Ensuring we assess and meet our climate-related standards and obligations.
Financial reporting	Consideration of the potential impacts of climate-related changes on the financial statements.
Investor Relations	Managing our investor stakeholders and supporting voluntary disclosures through CDP (formerly known as Carbon Disclosure Project).
Risk Management	Embedding climate-related risks into our risk management framework.

2. Strategy

Understanding the climate-related risks and opportunities is fundamental to shaping our strategy towards acting as a responsible business. We have considered the risks and impacts that climate-related change might present to our Group strategic objectives.

TABLE 4. CLIMATE-RELATED RISKS TO GROUP STRATEGIC OBJECTIVES

CLIMATE RISK DRIVER	CHALLENGES	RISKS	STRATEGIC OBJECTIVES POTENTIALLY IMPACTED[1]
Physical The immediate risks arising from weather-related events and slow onset climatic changes.	**Acute, e.g.** • Change in frequency of weather events e.g. flooding, wildfires, high winds. • Change in the severity of weather events e.g. heatwaves, lower temperatures. **Chronic, e.g.** • Sea level rises • Changing precipitation • Rising temperatures	Operational Reputational Business Planning and Environment	Sustainable growth Increase earnings Retain strong balance sheet
Transition The financial risks arising from the transition to a lower carbon economy.	• Arising from changes in policy (changes in emission reduction targets), technology (new low carbon technologies imposed), social pressures and consumer preferences (demand for lower carbon products and services). • Potential big shifts in the value of assets or costs of doing business.	Market Business Planning and Environment Reputational Legal and Regulatory	Sustainable growth Retain strong balance sheet Generate cash Increase earnings
Liability/Regulatory Action The risk of actions initiated by claimants who have suffered loss and damage arising from climate change and non-compliance with regulations.	• Climate laws and regulations are being developed across jurisdictions and lack of compliance could lead to fines and/or penalties. • Active litigation ranges from individuals and corporates, as well as class actions where damage has been caused and restitution sought.	Reputational Legal and Regulatory	Sustainable growth Invest

1 Details of the risks and opportunities arising from the climate-related drivers to the group strategies, as well as the impacts of these risks are set out in table 8.

Understanding our emissions and the impacts on strategy

During this year we have achieved more insight and understanding of the sources and scale of emissions across our business. We have assessed these as:

- **Operational emissions** – these cover Scope 1, 2 and 3 arising from running our operations e.g. leased premises, electricity and gas, and our goods and services supply chain.

- **Asset owner** – this represents Scope 3 investments controlled by us through the employee pension fund or owned by the life companies.

A review was performed of our operational emission categories, data collection procedures and the application of the GHG protocol conversion factors across our business activities. We believe that these categories fall more within our immediate control and, as such, will drive some of our short- and medium-term initiatives. In order for us to be able to set credible strategies and targets to meet our reduction aspirations, we needed to assess where we are today. This review provided valuable insights into our operational emissions and a range of strategic and tactical steps and initiatives we could adopt to reduce our Scope 1 and 2 emissions.

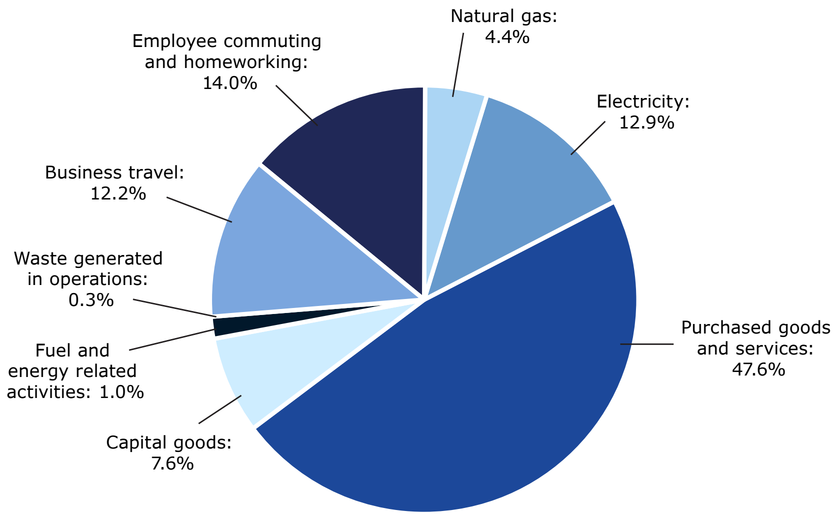
Further work is still required across the broader Scope 3 elements which we will complete as part of our target setting for 2024.

Where we are today

Operational emissions

Our operational carbon footprint has been calculated and assessed across the last two financial years to enable us to understand the most material emission sources. The analysis, based on data from table 10 on pages 41 to 42, indicates that emissions from purchased goods and services represent the largest single source, at 48% (FY22: 43%) of the total. Business travel, commuting and homeworking combined, representing 26% (FY22: 26%) is the next largest source, with electricity use and gas use combined representing 17% (FY22: 24%).

FIGURE 2. SUMMARY OF GHG EMISSIONS FOR IHP GROUP 2023[1]



1 We have not yet included the emissions within our investment Scope 3 profile for the Insurance assets given the level of complexity and uncertainty on the consistency of published ESG profiles relating to these assets

An independent site audit was performed, with the aim of helping us understand areas of opportunity for delivering reductions in our operational GHG emissions. The immediate focus fell on Scope 1 and 2 gas and electricity emissions.

TABLE 5. ANNUAL ENERGY USAGE ACROSS IHP GROUP SITES

	ENERGY USE (kWh)							
	FY23				FY22			
Site	**Gas**	**Electricity**	**Total**	**Proportion of total (%)**	**Gas**	**Electricity**	**Total**	**Proportion of total (%)**
UK	540,415	863,490	1,403,905	79%	800,092	860,201	1,660,293	82%
Australia	136,859	238,570	375,429	21%	108,655	255,757	364,412	18%
Total	**677,273**	**1,102,060**	**1,779,333**		**908,747**	**1,115,958**	**2,024,705**	
Proportion of total (%)	38%	62%			45%	55%		

The largest energy-using site across our estate is the London Head Office on Clement's Lane, which uses 68% (FY22: 72%) of the total energy, 75% (FY22: 83%) of the gas and 64% (FY22: 63%) of electricity.

TABLE 6. ANNUAL CARBON EMISSIONS BY LOCATION ACROSS IHP GROUP SITES

	TONNES OF CARBON EMISSIONS (t CO_2e)							
	FY23				FY22			
Site	**Scope 1**	**Scope 2**	**Total**	**Proportion of total (%)**	**Scope 1**	**Scope 2**	**Total**	**Proportion of total (%)**
UK	99	179	278	57%	146	166	312	57%
Australia	25	188	213	43%	20	217	237	43%
Total	**124**	**367**	**491**		**166**	**383**	**549**	
Proportion of total (%)	25%	75%			30%	70%		

In relation to carbon emissions, the almost-four-times higher carbon intensity of the national grid in Australia compared to the UK results in the carbon emissions from the Melbourne site being 51% (2022: 57%), whilst only using 22% (2022: 23%) of the electricity. Emissions from electricity use in Australia make up 38% (2022: 40%) of the Group's Scope 2 emissions.

As part of our 2022 initiatives, solar panels have been installed of our office in Melbourne. This is expected to provide up to 57 MWh annually of electricity for the business and reduce the Scope 2 emissions at our Melbourne office by 21% going forward.

Based on the site audit we have set out a range of short- and medium-term themes and initiatives that will help us reduce our operational Scope 1 and 2 emissions.

Strategic reduction themes – Scope 1 and 2 operational emissions

There are several strategic levers which we plan to deploy to reduce carbon emissions, and these have either already been reflected or are now being assessed as part of our financial planning requirements.

The table below shows strategies available to the Group. Some of the short-term initiatives may contribute to estimated savings in the medium-term initiatives, for example the site selection for the new London premises may capture some of the reductions of carbon emissions identified in moving away from natural gas.

TABLE 7. STRATEGIC REDUCTION THEMES – SCOPE 1 AND 2 OPERATIONAL EMISSIONS

STRATEGIC REDUCTION THEME	COMMENTARY	ESTIMATED SAVING t CO_2e	TIMEFRAME SHORT (2023-25) MEDIUM (2025-35)
Site selection and specification	When selecting our new London premises, the site selection criteria will include a requirement for efficient plant and equipment, a commitment to net zero from the landlord, zero carbon electricity, on-site renewable energy (if possible), and avoiding natural gas (if possible). On-site IT infrastructure will be assessed and where possible will be limited and placed in efficient off-site co-location premises or in the cloud.	80 t CO_2e	Short term
Flexible working	The use of flexible working offers the opportunity to appraise the size of office space required. Our own studies indicate that whilst flexible working practices have been adopted, the current space-management approach has resulted in a sub-optimal utilisation. In the time left on the lease at Clement's Lane, we will be considering how to consolidate onto fewer floors and use the space to develop a new model workplace to test the office aspects of a new digital workplace: a set of technologies and policies to run a more efficient floorplan.	175 t CO_2e	Short term
Renewable energy - Estimated Carbon saving	A major part of our carbon reduction strategy will be a move to renewable energy. This will largely be achieved from a new London site. However, in the short-term, opportunities on our current leased premises are more likely be achieved through power purchased agreements (PPAs) or green electricity tariffs. This has already commenced following the solar array which has been installed at the Melbourne site early this year, the benefits of which will be recorded in 2024.	396 t CO_2e	Short to Medium term
Consolidate operations in high efficiency and low carbon environments	There are opportunities to move energy intensive operations to higher-efficiency environments and lower carbon grids. This includes the remaining data centres and servers in office environments.	84 t CO_2e	Medium term
Move away from natural gas	Whilst there are a number of attractive renewable sources for electricity, there are no price competitive low carbon substitutes for natural gas. As such, moving away from the use of gas at all sites, should be a priority.	166 t CO_2e	Medium term
Engage with landlords	The company should seek to include green-lease clauses into leasehold agreements, placing obligations on the landlord to deliver a net zero carbon strategy.	28 t CO_2e	Medium term

Asset owner

Given the complexity and diversity of the underlying data required, we have yet to establish our Scope 3 approach as an asset owner for directly held assets within the life companies and employee pension funds. We will be developing our insight and strategic options with regard to these Scope 3 emissions as part of our medium-term development plan. We aim to be no less than in line with our peers and to ensure that our policy as an asset owner matches our corporate agenda and targets in relation to climate change. We will be transparent in our approach in future reporting and disclosures.

Looking forward – Scenario Analysis

The risks and impacts associated with climate change for our Group will be determined by the global governmental, social and technological approach to emissions reductions and projected temperature increase limits.

This review examines three possible climate scenarios, drawing on the Intergovernmental Panel on Climate Change (IPCC) representative concentration pathway (RCP) models and the Financial Stability Board (FSB) and Network for Greening the Financial System (NGFS) scenarios. Each scenario represents the modelled increases in global average temperatures from pre-industrialised levels and the predicted mitigation approach that would deliver them.

The key facets of each scenario are summarised below.

FIGURE 3. SUMMARY OF CLIMATE RISKS IN SCENARIOS

Climate scenarios considered	Net Zero by 2050	Delayed transition	Nationally Determined Contributions (NDCs)
Assumed global temperature rise			
	Aligned to RCP 2.6 At least 50% chance does not exceed 1.5ºC	Aligned to RCP 4.5 67% chance to limit to 2ºC	Integrated with RCP 6.0 Likely to limit to 2.6ºC
Key assumptions			
	Ambitious climate policies are introduced immediately. Innovation and fast technological changes, medium to high use of carbon dioxide removals.	Global annual emissions do not start to decrease until 2030. In the short-term fossil fuel is used to recover from economic challenges. From 2030 strong climate policies are implemented. Including a tax on carbon emissions, and emissions decline rapidly.	Current pledged policies, even if not yet implemented and not aligned to UN ambition level, are met. Technology change is slow, and policy change is low. Moderate to severe physical risks but relatively low transition risks in short term, high in long term.
	IntegraFin more impacted by policy and technology changes		IntegraFin more impacted by physical climate change impacts
Physical impacts			
Acute	Low	Moderate	High
Chronic	Moderate	Moderate to high	Very high
Transition impacts			
Market & tech	High	Very high	Very high
Reputation	Moderate to high	Moderate to high	Moderate
Policy & legal	High	High	Moderate
Society	Moderate	Moderate	High

Scenario analysis

We recognise that the profitability of our business is closely correlated to the fluctuations in both the global and particularly the UK economies from where our clients' wealth predominantly originates. However, we have also considered a range of other climate-related boundaries and impacts on our business such as our ability to maintain operational capability, the resiliency of our supply chains, the financial markets and the social, political and economic factors affecting our stakeholders. These have been collated into what we consider to be the more significant climate-related risks which might affect the Group over the short, medium and long term. The exercise has also helped to highlight possible management actions available to mitigate the potential impacts.

In addition, we have recognised that there are opportunities presented by transitioning towards a low carbon economy for the Group and our stakeholders over the longer-term.

From a modelling perspective it should be noted that scenarios are not predictions and reflect a series of assumptions to assess a range of possible outcomes. Consequently, climate related scenarios are currently limited by factors such as simplifications in terms of data inputs and event outcomes which are likely to influence the range of potential future impacts. Given the limited level of certainty, we use scenario analysis as a useful input to assess potential risks and opportunities at this point.

Key risks and opportunities

Drawing on the scenarios, we have identified the material risks and opportunities and assessed these for impact.

To consider the impacts consistently on the business we used the Group's risk methodology, which considers both quantitative impacts (e.g. changes to revenue or costs) and qualitative impacts (e.g. reputational and client impacts) and their likelihood.

In line with guidance, we have assessed the risks and opportunities across three operating categories:

- **Entity level** – reflects the Group-wide impact of climate related risks and opportunities.
- **Portfolio level** – distinguishing our platform service from that of the life companies and T4A.
- **Product level** – reflection of the T4A and insurance product risks.

Given the operating structure of the Group and the level of interdependency of the Transact branded business, we considered the impact of each climate change scenario to potentially have an influence on all three operating categories.

Measuring risks and opportunities

We have measured the impact of the climate risks using the Group's business risk impact assessment matrix (BRIAM). This assesses the level of impact against five categories: operational disruption, financial impact, reputational and media interest, regulation and duty of care to clients. Individually and collectively, these are considered to be the significant drivers relevant to the management and operation of the business in the context of all our stakeholders.

Managing the risks

The most significant scenario-based risks identified are set out in table 8 below.

TABLE 8. SCENARIO-BASED RISKS, MATERIALITY AND AVAILABLE STRATEGIC RESPONSES.

IMPACT PROFILE HAS BEEN BASED ON THE GROUP RMF BUSINESS RISK IMPACT MATRIX (BRIAM)		
Low BRIAM impact score of less than nine.	**Medium** BRIAM impact score greater than nine and less than 15.	**High** BRIAM impact score greater than 15.

CLIMATE-RELATED RISK	POTENTIAL IMPACT	SCENARIO	POTENTIAL MATERIALITY OF IMPACT BY TIMEFRAME 2025 (SHORT TERM)	2035 (MEDIUM TERM)	2050 (LONG TERM)	STRATEGIC RESPONSE AND RESILIENCE
Acute and Chronic (Physical) The risk of longer-term changes in climate patterns such as flooding, extreme weather and higher temperatures impacting our operations. Failed internal processes, people and systems.	Potential disruption to technology and data centres and damage to offices at risk of flooding resulting in increased costs. Potential disruption to employee's availability to work and ability to travel to office (transport, offices, caring responsibilities).	Net Zero by 2050	Low	Low	Low	Include climate in supplier risk assessments, develop contingency plans for all cloud and data services. Our ongoing investment in IT services will support further flexibility to location of working and efficiencies across the hybrid working model. Location of offices in London are being reviewed.
		Delayed Transition	Low	Medium	Low	
		NDC's	Low	Medium	High	

CLIMATE-RELATED RISK	POTENTIAL IMPACT	SCENARIO	POTENTIAL MATERIALITY OF IMPACT BY TIMEFRAME 2025 (SHORT TERM)	2035 (MEDIUM TERM)	2050 (LONG TERM)	STRATEGIC RESPONSE AND RESILIENCE
Policy legal and regulatory (Transition) The risk that there is a need to comply with increasing legal, regulatory, and disclosure obligations.	A poor or deficient ESG strategy across the Group causing delays in compliance with regulation requirements leading to fines and severe reputational damage. Significant cost increases as supply chains e.g. IT, data centres and energy suppliers accelerate delivery of zero based services. Potential for some product offerings to be restricted or sanctioned by regulators for non-compliance.	Net Zero by 2050				We take our regulatory responsibilities seriously. Our Risk and Compliance teams conduct regular horizon scanning and review regulatory publications on an ongoing basis. We are developing our TCFD reporting and have identified strategies in the short and medium term to reduce our operation emissions. We have developed our sustainability team and will be implementing policies that support our sustainability values with suppliers.
		Delayed Transition				
		NDC's				
Market (Transition and physical) The risk that climate change or the transition to a lower-carbon economy negatively impacts the global economy, and therefore the value of assets on our platform and in our range of managed investment solutions.	Assets on our platform are exposed to climate-related risks, which can lead to poor performance during the transition to a low carbon emissions economy, impacting customer returns, values of FUD and our fee income. Reduced net inflows to FUD as investors react to market volatility. Sustained levels of economic inflation impacting cost of living and available disposable income. Potential for earnings growth to decline or stall coupled with increase in costs putting pressure on Group profit margins.	Net Zero by 2050				We hold a diverse portfolio on the platform which helps to mitigate market shocks either in a region or specific investment sector. Our clients are advised and as a result are well informed about managing long-term investment growth and objectives when markets are volatile. We maintain and actively grow our IFA base and consequently fee generating clients. We proactively monitor market movements, inflows and outflows to ensure our operations are responsive. This supports our financial planning process to ensure income, costs and capital is managed in line with external factors.
		Delayed Transition				
		NDC's				
Reputational (Transition) The perceived risk that we are not contributing or developing an appropriate climate strategy.	Poor public perception of the Group as a result of inadequate or misleading disclosure regarding the Group's climate strategies. Customers become unhappy with the level of responsible investment offered by our IFA's and move funds from the platform to more integrated solutions offered by peers. Deterioration in meeting stakeholder expectations.	Net Zero by 2050				We are closely following regulatory developments to ensure that we reflect requirements in our business strategy. We have engaged with 3rd party subject matter experts to obtain a better level of insight and assessment of the climate related risk to the business. We have developed and agreed some challenging operational Scope 1 and Scope 2 reduction targets. We continue to be transparent and engage in reporting through TCFD and CDP on our climate related progress. We are open about the steps and actions that we still need to take towards meeting our commitment of meeting the Governments net zero targets by 2050.
		Delayed Transition				
		NDC's				

Managing opportunities

Opportunities are identified and assessed slightly differently. Often, they emerge from first line ownership (see Governance structure above), via our Horizon Scanning Exercise, which is conducted no-less-than-quarterly or as a result of management action plans and remediations presenting opportunities as part of the mitigation process.

For climate change specifically we have used the scenario planning exercise, as detailed above, to consider opportunities on a forward-looking basis up to 2050. These will be considered and embedded into our longer-term periodic horizon scanning process.

As detailed in the Governance section, opportunities are also explored and identified by the senior leadership team, aided, were necessary, by engaging third party specialists, and teams around the business. through operational process re-engineering, whereby processes are regularly reviewed to identify possible improvements which include climate considerations; for example, our Software Development and Client Operations teams have been identifying opportunities to reduce the volume of paper applications received by digitalising the client onboarding process.

TABLE 9. OPPORTUNITIES

OPPORTUNITY	DEFINITION	TIMEFRAME	PROGRESS
IFA Engagement	There is an opportunity for us to engage in more depth with our financial adviser base to understand the demands and expectations of clients in relation to climate-related investments.	Short, medium, long	Incorporated within the group's strategic initiative pathway.

POTENTIAL IMPACT

- The retention of our financial adviser base is key to our strategy of growing FUD and the business.
- Developing our Transact and T4A product ensures we continue to use our resources to create value for our stakeholders improving our reputation and longer-term market share.

DELIVERY APPROACH:

We have 7,683 (FY22: 7,537) financial advisers and 230,294 (FY22: 224,705) clients registered to use the Transact platform. This provides us with a unique opportunity to engage with our IFA base to obtain a good understanding of our clients' expectations and demands in relation to climate-related investments and supporting services.

We will continue to be responsive, where possible, for the inclusion of sustainable investments onto the platform and for these to be included within tax-efficient wrappers, as well as general investment portfolios.

We recognise that all parties are embracing the need to reduce their carbon emissions. Through our in-house technology, we have the opportunity to develop processes with the financial advisers and clients that embrace sustainable practices e.g. paperless statements and digitalisation of on-line services.

OPPORTUNITY	DEFINITION	TIMEFRAME	PROGRESS
Operational efficiencies and embedding a sustainable culture	There is an opportunity for us to develop and deliver operational efficiencies across our business model.	Short, medium, long	Incorporated within the group's strategic initiative pathway.

POTENTIAL IMPACT

- Developing carbon reduction strategies can lead to longer term cost efficiencies.
- Avoiding potential carbon taxes.
- Developing sustainable operational practices will increase the business resilience and eliminate potential climate-related shocks.
- Improved reputation of the Group.

DELIVERY APPROACH:

We have identified a range of short-, medium- and longer-term opportunities to develop and incorporate sustainable practices within our operations.

Implementation of the Sustainability Forum will engage senior leadership in embedding climate, and wider ESG practices, across the Group.

Development of a sustainable culture, which is reflected in our strategy and engagement of staff, financial advisers, clients and other external stakeholders.

Resilience of strategy and viability assessment

The current viability testing is based upon a three-year planning cycle. We do not envisage any planning impacts in the current three-year cycle based on the scenarios set out above. Specific climate-related scenarios have a longer-term horizon and consequently we have not yet included any financial impacts based on strategic opportunities in our planning process for this financial year. We have, therefore, largely assessed the impacts of scenarios on a qualitative basis.

We believe that the climate agenda across our financial adviser base and clients is developing but has yet to develop any maturity on shaping investment decisions.

The scenarios present insight about the physical impacts to the environment that a delayed transition to net zero presents to our business operations. In addition, it provides the challenges we will face from a rapid and strong government policy and legislation implementation. We are not unique in this situation and consequently most companies are equally assessing their related financial and strategic impacts of climate change scenarios.

By association we expect our platform, which holds a diverse portfolio of investments, to evolve as markets and investors, over time, select those companies whose economic value continues to grow because of embracing timely and opportunistic climate-related strategies.

The Group's preferred scenario is an orderly transition to net zero by 2050 as this aligns with the Group's current strategy. This outcome has the least significant impact on key stakeholders, as defined on page 80.

Our carbon and climate change transition plan

The below illustrates the achievements of the Group in the last two years and sets out the next steps to be taken over the short, medium and long term for the Group, as it transitions towards achieving its strategic goals of being net zero.

FIGURE 4. SUMMARY OF STRATEGIC INITIATIVE PATHWAY

YEAR 1 REPORTING 2022 ACHIEVEMENTS	• Confirmed baseline year for emissions • Create Scope 1-2 inventory • Measured emissions and report	• Recognised of climate change risks & opportunities • Establishment of senior governance responsibilities
YEAR 2 REPORTING 2023 ACHIEVEMENTS	• Revised baseline year for emissions • Updated Scope 1-2 and created Scope 3 inventory • Measured and reported emissions	• Extended governance, started full risks & opportunities assessment • Engagement of business leadership
SHORT TERM (2023-2025)	• Set net zero target and roadmap • Measure, reduce emissions and report • ESG materiality assessment • Full Climate Change Risks register	• Climate change register of compliance • Employee awareness and training • Supply chain climate change standards
MEDIUM TERM (2025-2035)	• Validation of net zero roadmap • Measure, reduce and report emissions and strategy • Climate Change Risks framework review and updating • Employee, investor, client engagement	• Supply chain standards extended to sustainability • Sustainability strategy • New product development • Adoption of ISSB and TFND standards
LONG TERM (2035-2050)	• Action delivery against net zero roadmap • Measure, reduce and report emissions and strategy • Asset owner engagement and influence	• Supply chain auditing • Sustainability strategy embedded • New product development • Platform ESG insights supporting IFA/Clients

3. Risk Management

Risk management is a core part of our culture. Climate-related risks are managed as part of our Group RMF which defines the Group's systems of governance, risk appetite and risk management processes. See pages 60 to 68 for more information on our risk management processes.

We have assessed the impacts of the three climate risk drivers against the strategic objectives of the Group. These are set out on page 31 above. We have utilised the scenario assessment to measure the resiliency of our business strategy and the impact on the viability of our business against the scenarios, as set out on pages 36 to 37.

We have considered, in more detail, the risk and opportunities facing our business based on the scenario parameters. Utilising our RMF methodology we have evaluated the business impacts of the risks and opportunities identified and will record these within the corporate risk register. These profiles will be tracked periodically to assess whether any material changes have arisen and to determine whether the forward-looking response remains appropriate for our strategy.

Understanding and managing the risks

Once risks are identified, our Risk Appetite Framework defines the maximum level of residual risk the board is willing to take in pursuit of its strategic objectives and in the normal course of business. Exceeding risk appetite limits potentially presents a financial or operational threat to the business which could cause harm to its customers or the firm. Whilst the Group has not set any specific climate-related appetites, it recognises that existing appetites for operational and financial thresholds maybe impacted by climate change matters and therefore considers root cause, of which climate maybe one factor, for any appetite breaches.

4. Metrics and targets

The Group adopted the reporting requirements of the Streamlined Energy and Carbon Reporting (SECR) policy, as implemented by the UK Government in 2019. We have been collating GHG emission data covering several financial years and this has allowed us to establish further insight into the areas of our Scope 1 and 2 emissions and estimates for our Scope 3 emissions covering our operational activities.

Carbon emissions calculation methodology and assumptions

Scope 1 covers emissions from sources that an organisation owns or controls directly. For the Group, this comprises emissions from the use of gas to run boilers.

Scope 2 covers emissions that an organisation makes indirectly, for example when energy is purchased. For the Group, this comprises the purchase of electricity. This is reported using the location-based accounting method using the UK and Australian Government's GHG conversion factors for 2023.

Both Scope 1 and 2 include emissions relating to entities and assets which the Group own or control. Where possible, primary energy-use data has been used. Where this is not available, estimations have been made based on average energy usage on other sites where primary data is available. Where sites are shared with other businesses, it is assumed that energy usage is proportionate with office space leased.

Scope 3 comprises emissions which are a consequence of an organisation's business activities but that it does not directly control. For the Group these activities, including the methodology for collecting the related emissions data and any significant judgements or assumptions made to determine the emissions, are shown in the table below.

TABLE 10. SCOPE 3 DATA METHODOLOGY AND ASSUMPTIONS

SCOPE 3 CATEGORY	CARBON EMISSIONS CALCULATION METHODOLOGY	SIGNIFICANT JUDGEMENTS OR ASSUMPTIONS
Purchased goods and services and capital goods	Emissions data calculated by annual spend using DEFRA UK Footprint results.	Data for the top 30 suppliers of the Group (all UK-based) in terms of spend is used as this is where we think we can have the most influence on supplier behaviour.

Waste generated in operations	Solid waste: Obtain waste weight data and disposal routes for all sites, or where not available, estimate based on sites where data is available. Water use: Water meter readings requested from landlord, or estimated based on sites where data is available. Wastewater: Calculate using GHG conversion factors based on total water usage.	Where primary data is not available, it is assumed that each Group location has similar levels of waste per employee despite the differences in geographical locations within different countries and differing rental situations of premises.
Business travel	Expense claim data is used to collect distance travelled using type of travel multiplied by the relevant GHG conversion factors	Where distance of travel has not been recorded an estimation has been based on cost of travel.
Employee commuting and homeworking	Emissions estimated from annual commuting and homeworking survey, which includes mode and distance of travel and typical number of days travelled to the office per week.	Results are based on extrapolating the responses of the annual commuting and homeworking survey from 88% of the staff.

The data availability for Scope 3 emissions is not as accessible as for Scope 1 and 2 and therefore the data quality is not as high. We will continue to review and refine our methods for collecting data for all Scopes to ensure the accuracy of the reporting improves year-on-year.

Greenhouse gas (GHG) emissions data

TABLE 11. SCOPES 1, 2 AND 3

	UK AND ISLE OF MAN EMISSIONS (t CO_2e)		AUSTRALIA EMISSIONS (t CO_2e)		TOTAL EMISSIONS (t CO_2e)	
	FY23	FY22	FY23	FY22	FY23	FY22
SCOPE 1 AND 2						
Scope 1	99	146	25	20	**124**	**166**
Scope 2 (Location-based)	179	166	188	217	**367**	**383**
Total Scope 1 and 2	**278**	**312**	**213**	**237**	**491**	**549**
SCOPE 3						
Purchased goods and services	1,353	979	0	0	**1,353**	**979**
Capital goods	215	106	0	9	**215**	**115**
Fuel and energy related activities	15	15	14	18	**29**	**33**
Waste generated in operations	7	3	1	0	**8**	**3**
Business travel	226	52	121	15	**347**	**67**
Employee commuting and homeworking	348	451	52	73	**400**	**524**
Total Scope 3	**2,164**	**1,606**	**188**	**115**	**2,352**	**1,721**
Total Scope 1, 2 and 3	**2,442**	**1,918**	**401**	**352**	**2,843**	**2,270**

In FY23, energy use under Scopes 1 and 2 were down 11% due to a combination of factors. Firstly, an unplanned reduction in boiler use in the London office and, secondly, a decrease in electricity usage in Melbourne following the installation of solar panels in April 2023.

Scope 3 carbon emissions are up 37%. This is largely due to increased expenditure with key suppliers and a return to pre-pandemic levels of business travel between the offices in Melbourne and the Isle of Man and London.

Other material movements in Scope 3 include a decrease in employee commuting and homeworking emissions, as a consequence of obtaining more detailed data directly from employees and placing less reliance on using national estimated averages.

By far the biggest source of Scope 3 emissions is purchased goods and services from our key suppliers. However, next year we hope to move from a purely spend-based methodology to a hybrid methodology. Obtaining better data from our suppliers about their emissions will improve the accuracy of our data and to allow us to work with our suppliers to reduce emissions.

Intensity metrics

As with last year, we believe number of employees and office space remain appropriate business specific metrics for calculating the Emissions Intensity Ratio, as they are the main drivers of our energy consumption and, therefore, emissions.

TABLE 12. INTENSITY METRICS

	UK AND ISLE OF MAN		AUSTRALIA		TOTAL	
	FY23	FY22	FY23	FY22	FY23	FY22
Emissions Intensity Ratio – t CO_2 per employee	4.4	3.7	4.9	4.5	**4.5**	**3.8**
Emissions Intensity Ratio – t CO_2 per m2 of office space	0.5	0.4	0.4	0.3	**0.5**	**0.4**

Restatement 2022

We have restated the published 2022 figures, where relevant, to use the most appropriate calculations, conversion factors and data collection methodology. This has resulted in substantial changes to the individual Scope 1, 2 and 3 emissions figures, however, total emissions are only 3 t CO_2 (0.2%) higher than published.

We have also updated the FY22 data to include additional metrics such as emissions from purchased goods and services, capital goods, fuel and energy related activities and wastewater.

The updates and restatements to the emissions metrics reflects the continuous improvements being made to the quality and completeness of data and data collection methodologies.

Validation of metrics

The GHG data calculation methodology process for FY23 has been validated by external independent sustainability consultants, Brite Green Limited, to ensure it is appropriate and robust. In addition, Brite Green have reviewed the calculations and figures for FY23 and the restated figures for financial year 2022 based on the agreed methodology.

Boundary of reporting

We have not included any metrics for Scope 3 emissions relating to investments on our platform as we have no control over the selection of investments which is made by our clients and their independent financial advisers.

Targets

We are committed to setting targets aligned with best practice and have decided to follow the SBTi (Science Based Targets initiative) Net Zero Standard framework. As a result, we are selecting FY22 as a base year against which to set targets, instead of FY19 as indicated in last year's report, as this is the most recent year for which data is available.

We commit to reaching net-zero GHG emissions across the value chain by 2050 from a 2022 base year.

The following targets have been agreed:

SHORT TERM	In the short term our main target will be to improve the quality of our data and to engage with our key suppliers to see how we can work together to reduce supply chain emissions. This is critical as carbon emissions coming from the supply chain represent 43% of total carbon emissions in our base year.
MEDIUM TERM	We commit to reducing absolute Scope 1 and 2 emissions by 60% by the end of financial year 2033 from a 2022 base year. We will continue to collect data on our Scope 3 emissions to identify how we can reduce emissions and what we can realistically commit to reducing. We will look at offsetting emissions through high-quality carbon credits from the voluntary carbon markets or supporting nascent neutralisation technologies in order to achieve carbon neutral certification.
LONG TERM	As a minimum we commit to reducing absolute Scope 1, 2 and 3 GHG emissions 90% by 2050 from a 2022 base year.

RESPONSIBLE BUSINESS — OUR PEOPLE

Our people have always been, and will continue to be, our priority.

People and culture

We know that our employees are fundamental to our success and we have worked this year to continue to evolve our collaborative and supportive culture through our people strategy, aiming to recognise, motivate and develop our talent by:

- Reinforcing our purpose, strategy and values;
- Enabling our employees to develop and grow through training, development and career opportunities;
- Enhancing our engagement activities;
- Ensuring our practices support inclusivity and employee well-being.

In the past year we have focused on enhancing the engagement of our employees through the creation of a feedback loop with the IHP board, a primary focus on well-being and ensuring our culture continues to promote inclusion and belonging for all.

We have continued to embed our strategy, purpose and values to support our employees to work towards this common purpose as we believe having a clear sense of purpose is fundamental to success both of the individual and the organisation. We have achieved this through initiatives such as the annual town halls with the Group CEO and IFAL CEO, regular Group wide communications from the Group CEO and transparency about the progress we have made against the commitments made as a result of the 2022 engagement survey.

Last year, the board approved an employee engagement framework and work has continued to ensure the activities within this framework have been implemented. These have enhanced existing practices and provided employees with the opportunity to share their views:

- Introduction of private sessions between the non-executive board and senior managers;
- A people update from the Head of HR at each Group board meeting enhanced to include progress against the commitments that were made to employees further to the 2022 engagement survey;
- Maturing of the people management information (MI)and narrative provided to the Group board to better understand people trends within the Group;
- Introduction of employee forums at each employing company in the Group.

We will continue to evolve these activities in 2024.

Looking forward, we are committed to maintaining a culture which ensures employees are motivated, committed to their role and supporting the Group in achieving its goals. We are proud of the culture we have created which we will continue to strengthen so as to retain and attract the best talent to drive further success.

FY23 highlights

- Obtained London Living Wage accreditation for the Group
- Carried out our second Group engagement survey
- Embedded our new performance management framework to underpin our performance related variable pay structure
- Built a well-being suite at our London office
- Created a feedback loop between the board and employees through the introduction of employee forums
- Enrolled all managers in mental health training
- Enhanced our occupational maternity and paternity pay schemes
- Signed up to the “Women in Finance” charter

FY24 priorities

- Continue to enhance employee engagement and motivation
- Progressing our diversity, equity, and inclusion initiatives
- Deepening the board oversight of culture and how it supports our strategy
- Implement a mentoring programme
- Embed our Training and Development strategy
- Embed our Social strategy

People engagement

Engagement survey

We strive to ensure employee engagement is at the core of what we do as we know that employees are at the heart of our success. This year we held our second annual Group engagement survey which enabled us to identify the progress we have made since last year's survey, what we are doing well and future opportunities for improvement.

The survey was comprised of twelve sections: role, training and development, leadership, reward and recognition, wellbeing, inclusion, communications, our Company, our clients, engagement, enablement, and empowerment. We were incredibly pleased with the results of this years' survey, which showed high levels of engagement in almost all areas. We scored particularly highly in relation to employee wellbeing (94%), inclusion (94%) and our values being aligned to the way we do business (93%). Our results in these areas were higher than the external benchmarks and the results we received last year.

We were also pleased to see that there has been a positive impact on the engagement scores of the areas we focused on this year, particularly that employees understand their Company's strategy and values (92%), managers are communicating in a timely manner (93%) and the ongoing belief that our Company actively looks for ways to improve and better our service for clients (95%).

In response to this year's feedback, we have received from employees, we have been able to create new localised action plans for each subsidiary company, recognising this multi-tracked approach best engaged our people to deliver results last year.

Health and well-being

We place great importance on promoting the health and well-being of our employees. We have continued to encourage open communication and the breaking down of stigmas across the business this year so that our employees are comfortable talking and listening to each other.

We were pleased this continued to be recognised within our employee engagement survey, with 94% of employees feeling their manager supports and cares about their wellbeing (up from 91% in FY22). We will measure this again in next year's survey and hope to maintain our strong performance in this key metric.

To ensure we promote the health and wellbeing of our employees, we have zero tolerance of any form of bullying and harassment and this is underpinned by our Anti-Harassment and Bullying Policy, to which all employees are required to adhere.

We understand the necessity in supporting our employees in managing their mental health. This year we took a multi-pronged approach by enrolling all managers at our London office on a mental health awareness course facilitated by an external expert organisation, provided non-mandatory sessions which employees were able to attend and continued to raise the number of mental health first aiders in the Group, encouraging employee access to support when needed. Employees can contact the mental health first aiders if they are experiencing mental health issues and need someone to talk to. Additionally, we continue to participate in mental health awareness week. We used this week to promote internal and external resources to employees and to raise money for Mind, the mental health charity that aims to ensure no one has to face mental health problems alone.

These initiatives have been further complemented by a suite of non-salary benefits our employees and their families can utilise if they are struggling with their physiological or psychological health. Our employees and their families are eligible to join our company-funded private medical insurance. They also have direct access to our employee assistance programme, which is a confidential service and offers professional help and support on a wide range of life and domestic concerns.

To promote and protect the well-being of our employees we have also built a well-being suite at our London office, which is comprised of a medical room, a multi faith room and a well-being room.

We understand the importance of continuing to shine a light on other important topics and this year we have published our first Menopause Policy. We have also appointed Menopause Champions for employees if they require confidential support.

Additionally, a well-being hub has been created on our intranet, which provides access to tools and resources to support this and other areas of well-being.

Internal communications

Our executive team recognise the importance of effective communication with our employees, to maintain our culture, keep employees aligned in a hybrid environment and identify opportunities for the future. This year, we are pleased we have enhanced our variety and formats of communications. Our on-line updates and internal monthly newsletter ensure all employees across the Group are aware of the key business updates and feel included in the business and its successes. Our Group CEO, Alexander Scott, sends regular updates to the whole Group.

Alexander and Jonathan have continued to provide all-employee Company updates in person. These events update colleagues on our financial results and our plans for the future. In these sessions, attendees are provided with the opportunity to ask questions of the senior management team as well engage at the social events that follow.

Our NEDs host regular ‘manager converse’ sessions with members of the senior management team. This forum allows the senior manager to provide an update on key departmental issues, future plans and team environment. These meetings are invaluable as they provide the directors with insight into the culture and operational detail of the business in a structured format.

Engagement forums

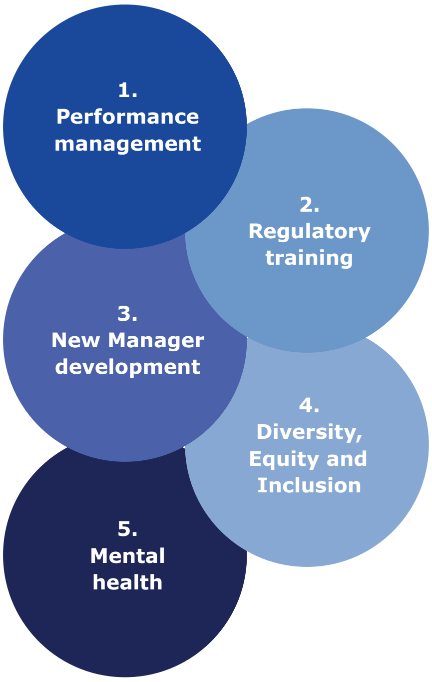
To further enhance the feedback loop between the board and the rest of the workforce and utilise the knowledge gained to improve on our employee offering, Rita Dhut, DNED and Lucy Smith, Head of Human Resources, chaired the Group’s first engagement forums this year.

Employees from each subsidiary company were invited to attend the sessions and the topics of discussion were derived from key feedback from the employee engagement survey. We have evaluated the success of the forums and have created an action plan to implement improvements in these areas. We will continue to hold these sessions over the next year, using key topics from the latest engagement survey. The feedback obtained within these sessions will feed into our People strategy.

Talent management

We understand the importance of retaining our existing talent and taking steps to ensure we are best placed to attract future talent. A key component of this year's progress is the provision of wider ongoing training and development opportunities and the expansion of our internal Training and Development team to enhance the resource available. The team also continue to work closely with the business to secure fulfilment of our internal and external training obligations.

This year we have taken steps to evolve our Training and Development strategy and identified Training priorities. The implementation of this strategy started this year and will continue into next year. The priorities identified are:



Ensuring that we have robust talent maps and succession plans in place is key to preparing ourselves for the future. This year we have ensured that talent maps are in place for all employees and succession plans are in place for the senior management team. Over the next year we will continue to deepen our succession plans and work towards providing the appropriate training and support for these successors.

Additionally, we have re-structured our variable remuneration offering, so the annual cash bonus is more tangibly linked to performance. This has had a positive impact on our ability to attract and retain talent this year. All managers have been supported through this change and the talent maps referenced above have ensured that employee performance has been regularly reviewed throughout the year, so the process is fair and equitable for all. Our performance management framework will continue to evolve over the next year and all managers will be provided with the appropriate training and support.

A focus over the next year to support our talent will be to design, implement and embed mentoring programmes. One strand will ensure all new starters to the business have access to a mentor to support their integration into the Group. A further strand will consider how we introduce mentoring for Women in Leadership.

Support for certifications

We recognise the importance of providing job-relevant training, both in increasing our productivity and in increasing employee engagement and job satisfaction. To this end, we encourage all our employees to pursue professional qualifications to strengthen their skills.

Our people are offered a range of approved qualifications in the areas of investment, pensions and other relevant subjects; all employees are eligible to undertake these qualifications. To support our employees, the Group offers financial support by funding the cost of exam entry and the core study text, as well as time support in the form of additional study leave.

Diversity, Equity and Inclusion (DE&I)

We firmly believe creating a culture of belonging will magnify our success and we recognise the value of a diverse workforce and an equitable and inclusive workplace. We continue to operate on the principle that greater diversity of thought and experience within our business will deliver a more robust performance for our stakeholders.

The Group already has a number of people processes in place to ensure that its employees and potential employees are treated fairly and equitably, which is underpinned by our Equal Opportunities Policy and our DE&I strategy. We regularly review and update our policy in order to fulfil more effectively our DE&I goals.

We work with our external recruitment partners to ensure a fair, non-discriminatory and consistent recruitment process to provide opportunity to all potential employees, irrespective of gender or any other characteristic.

To continue to demonstrate the value we place on working parents, we strengthened our company maternity pay and company paternity pay offering this year, our family friendly offering is now competitive within the financial services industry.

We have augmented our collection of data on Group and company diversity. With deeper analysis of the data and clarity on achievable yet ambitious milestones we intend to progress our evidence-based DE&I strategy and framework.

For 2024 our planned actions include:

- Partner with 10,000 Black Interns initiative.
- Partner with universities to provide social education to students from underprivileged backgrounds.
- Review the structure of succession plans through the lens of equal opportunity for all.

Community

We take pride that each year we pro-actively source opportunities to support charitable causes our employees care about. This year, we provided employees with the opportunity to partake in supporting the Turkey-Syria earthquake appeal. The Company committed to matching the employee donations and we raised a total of £10,600.

To mark one year on from Russia’s invasion of Ukraine, we also jointly sponsored a ‘Rock for Ukraine’ event in February 2023. The event was held in London to raise money for the refugees from the war in Ukraine. The Company purchased tickets to the event and all employees at the London office were able to recognise the hard work of their peers and nominate a colleague to attend.

In a new initiative for the Group, we partnered with Kingston University to provide some of their finance students from underprivileged backgrounds with the opportunity to complete work experience at our London office. The first cohort of work experience students joined us in September 2023 and the students were able to obtain experience of working within several of our departments.

Over the next year we will continue to explore ways in which we can enhance our community support and the evolution of our social strategy.

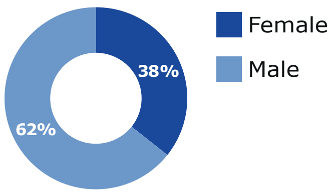
Our workforce

Our workforce is located in the UK, Australia and the Isle of Man. The headcount per subsidiary company, as at 30 September 2023, is as follows:

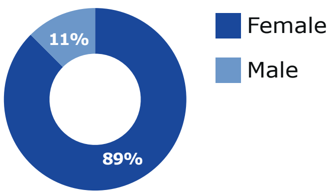
GROUP HEADCOUNT	
IntegraFin Services Limited	457
IntegraLife International Limited	9
Time 4 Advice Ltd	69
IAD – (UK & Australia)	114
Total Group headcount	**649**

The charts below detail the gender ratio at each of the Group's subsidiary companies. These ratios are accurate as at 30 September 2023.

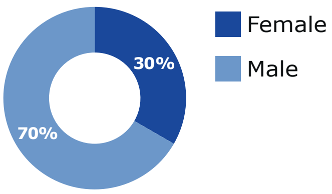
ISL



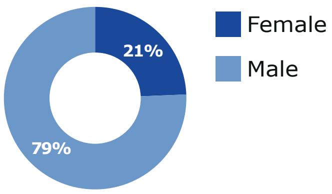
ILINT



T4A



IAD



Gender pay gap

IntegraFin Services Limited (ISL), one of our Group subsidiaries, is required to publish its gender pay gap information on an annual basis. These results have always compared favourably to other companies in our sector and our 2022 results demonstrate the ongoing steps we have taken to support an equitable and inclusive workplace.

	MEAN GENDER PAY GAP INCL. BONUS	MEDIAN GENDER PAY GAP INCL. BONUS
2018	12%	3%
2019	13%	5%
2020	14%	9%
2021	10%	4%
2022	18%	4%

We are pleased to see the median has remained low, helping to evidence that our overall pay structure remains fair and equitable. It is acknowledged that there has been a notable increase in the mean gender pay gap this year. This is due to the proportion of males in more senior roles being adversely affected by the following:

- The retirement of some senior female employees;
- A higher proportion of senior female employees reverting to flexible working hours compared to our senior male employees and, as required by the rules, their actual pay is included not their full-time equivalent pay;

- Senior female employees being on maternity leave as at the snapshot date and therefore excluded, as required by the rules, from our data;
- The impact of senior females being on maternity leave having a disproportionate effect when compared to males on paternity leave.

We keep our pay and benefits structure under review to ensure our salaries are equitable when compared to internal peers and the external market.

We will not exclusively advantage females but will continue to remove any actual or perceived barriers female employees could have been more likely to face than their male colleagues.

Diversity data

The Group employed 649 employees and 6 NEDs are officers of the Company. The breakdown of our people by gender as at September 2023, was as follows:

	MALE		FEMALE	
	NUMBER	**%**	**NUMBER**	**%**
Board directors	6	67	3	33
Senior managers	3	43	4	57
Direct reports	12	60	8	40
All employees	402	65	217	35
Total employees				**649**

Ethical standards

The Group is committed to high standards of governance, ethical and moral standards. Our core value of 'doing the right thing' underpins all our operational practices and informs our people's conduct. This is formalised in our internal policies which are made available to all employees on our intranet. We require our employees to undertake regular, mandatory training to ensure awareness and understanding of their provisions. Our ethical standards are comprised primarily of the policies that govern employee conduct, including the Equal Opportunities policy, Anti-Harassment and Bullying policy, Anti-Bribery and Corruption policy, Anti-Money Laundering policy and Whistleblowing policy.

Anti-bribery and corruption

The Group has a zero-tolerance approach to financial crime to protect ourselves, our clients and our stakeholders. We have laid out the controls and processes in place to prevent financial crime in Our Anti-Bribery and Corruption policy and our Anti-Money Laundering Policy, as well as the responsibilities of our staff, both generally and in key departments or roles. The Anti-Bribery and Corruption policy and the Anti-Money Laundering policy are both reviewed and updated annually by the Money Laundering Reporting Officer.

Internal audit conducts audits of our operations, controls and processes based on risk; areas and policies identified as high-risk, that includes financial crime related polices, form part of the risk assessment exercise to produce the internal audit plan. For more information on our internal audit approach, the Group Internal Audit Charter is available on our website at: ***https://www.integrafin.co.uk/legal-and-regulatory-information/***.

Whistleblowing policy

Recognising that the ability to voice genuine concern without fear of reprisal is essential, the Group maintains a Whistleblowing policy applicable to all employees and available to view on our intranet. This reiterates our employees' responsibilities in reporting suspicions, outlines the reporting lines for whistleblowing concerns and establishes that whistleblowers are protected from retaliation. As with all policies, we periodically audit the Whistleblowing policy in line with the risks in the annual risk plan.

Human rights and modern slavery

We continue to recognise the important role we have to play in the support of human rights and we do not tolerate modern slavery of any kind. The Group continues to underpin this support through the publication and enforcement of our modern slavery statement which applies to all Group companies and all suppliers. The statement can be found at ***https://www.integrafin.co.uk/modern-slavery/***.

FINANCIAL REVIEW

Headlines

Group revenue remained broadly steady in FY23, increasing by 1% to £134.9 million. This was against another year of economic volatility, due to elevated inflation and rapidly increasing interest rates, both of which impacted the financial markets and client wealth.

Despite ongoing global economic challenges, FY23 ended with a record 230,294 Transact platform clients (FY22: 224,705) and 7,683 registered advisers (FY22: 7,537).

IHP Group has a strong liquidity profile, largely due to regulatory capital requirements, and therefore benefited from UK interest rates rising, with interest received on cash increasing from £0.6 million in FY22 to £5.3 million in FY23.

Headline IFRS profit before tax rose 15% to £62.6 million (FY22: £54.3 million), however underlying profit before tax fell by 4% to £63.0 million (FY22: £65.8 million). The reduction is due to an increase in administration expenses, largely driven by the ongoing strategic programme of investment in software and IT infrastructure and offset by the increase in corporate interest income.

Profit after tax rose 13% to £49.9 million (FY22: £44.0 million).

EPS is 15.1p (FY22: 13.3p). After removing all non-underlying expenses in FY23, underlying EPS* is 15.2p, compared with 16.3p in FY22.

Transact platform operational performance

	FY23 £m	FY22 £m
Opening FUD	50,070	52,112
Inflows	6,406	7,275
Outflows	(3,753)	(2,873)
Net flows	**2,653**	**4,402**
Market movements	2,272	(6,248)
Other movements[1]	(36)	(196)
Closing FUD	**54,959**	**50,070**

1 Other movements includes fees, tax charges and rebates, dividends and interest.

Funds Under Direction closed the year up 10% on FY22 at £55.0 billion.

FY23 gross inflows of £6.4 billion, in a competitive marketplace and with ongoing economic pressure on our clients, are due to the reliability and quality of our advised investment platform.

Whilst outflows have increased to £3.8 billion, the annualised rate is 7% of opening FUD (FY22: 6%) therefore they are still within the historical banding, as a percentage of FUD, that we expect. One factor driving outflows is clients withdrawing savings as the cost of living has increased and also as the world has returned to normal post lockdown.

Our net flows of £2.7 billion are strong for the sector and represent more than 50% of the increase in FUD in FY23.

T4A operational performance

In the 12 months to September 2022, T4A has increased CURO licence users by 22%, from 2,253 at 30 September 2022, to 2,752 at September 2023.

*Alternative performance measures (APMs) which are indicated with an asterisk. APMs are financial measures which are not defined by IFRS. They are used in order to provide better insight into the performance of the Group. Further details are provided in the glossary, on page 235.

Group financial performance

There are two streams of Group revenue: investment platform revenue (96% of total revenue) and T4A revenue (4% of total revenue).

Investment platform revenue

Investment platform revenue has increased by £0.4 million year-on-year to £130.1 million and comprises three elements, 99% (FY22: 98%) of which is from a recurring source.

Annual commission income (an annual, ad valorem tiered fee on FUD) and wrapper administration fee income (quarterly fixed wrapper fees for each of the tax wrapper types available) are recurring. Other income is composed of buy commission and dealing charges.

Investment platform revenue	**FY23 £m**	**FY22 £m**
Annual commission income (recurring)	116.1	115.9
Wrapper fee income (recurring)	12.3	11.6
Other income	1.7	2.2
Total platform revenue	**130.1**	**129.7**

Average daily FUD for the year, arising from the performance of the assets in client portfolios, increased by 2% in FY23 to £53.6 billion. Annual commission income increased to £116.1 million in FY23. The increase in annual commission revenue was moderated by the reduction in the annual commission rate from 0.27% to 0.26%, with effect from 1 July 2022, therefore only three months of the reduction impacted FY22, but a full 12 months impacted FY23.

Recurring wrapper administration fee income increased by £0.7 million (6%) year-on-year, reflecting the increase in the number of open tax wrappers for both existing and new clients.

Buy commission, included in other income, has been deliberately reduced as a component of revenue each year. Buy commission was £0.7 million in FY23 (FY22: £1.5 million), falling due to the threshold at which clients receive a rebate of buy commission being reduced from £0.2 million which was the threshold from 1 March 2022, to £0.1 million with effect from 1 March 2023. The reduction in the buy commission threshold is another positive step in our responsible pricing strategy, as we seek to remove an increasing proportion of clients from the buy commission charge and simplify our fee structure.

T4A revenue

T4A's revenue was £4.8 million for FY23, compared with £3.9 million for FY22, an increase of 23%. This was driven by an increase in recurring revenue from additional CURO user licences.

Interest income on corporate cash

Interest income rose from £0.8 million in FY22 to £6.4 million in FY23. The average Group corporate cash balance was £186.3 million over the year and the Bank of England base rate rose 3% over the course of the financial year, ending the financial year at 5.25%.

This resulted in interest income on corporate cash balances rising £4.7 million, to £5.3 million. We also received another £0.8 million, being a combination of interest due from the Vertus loan facility and interest received from HMRC.

Operating expenses

	FY23 £m	FY22 £m
Employee costs	53.9	47.1
Occupancy	2.8	2.4
Regulatory and professional fees	9.8	9.8
Other income – tax relief due to shareholders	(1.6)	(2.4)
Other costs	6.8	6.3
Non-underlying expenses – backdated VAT and interest	-	8.8
Non-underlying expenses – other	0.4	2.7
Total expenses	**72.1**	**74.7**
Depreciation and amortisation	2.5	3.0
Total operating expenses	**74.6**	**77.7**

Operating expenses on a statutory IFRS basis have reduced by £2.6 million, or 3%.

Underlying expenses

Employee costs £53.9 million (+£6.8 million, +14%)

Costs have increased due to increased headcount and pay rises.

Group employee numbers through the year increased by 6% (FY22: 8%) from an average of 594 in FY22 to an average of 631 in FY23, this accounted for £2.7 million of the increase in costs. Notable senior additions are a CTO and CRO. We have also recruited a further 26 people in IT through the year, as we continue to implement plans announced in FY22 to significantly increase system development capacity across the Group and drive future efficiencies.

We continued to enhance salaries to reflect the inflationary environment, recognising the pressures being placed on our people due to the rise in the cost of living. We also want to ensure we retain talent and we monitor the market with regard to inflationary pressures and market-competitive salary levels. Inflationary pay rises, including resultant impact on share scheme costs and company pension contributions, increased costs by £3.7 million in FY23.

Current year VAT, included in Other costs (£3.6 million (+£0.4 million (+13%))

Current year VAT has increased by £0.4 million, largely due to increased investment platform development software fees, charged by IHP's wholly owned software development company and now subject to reverse charge VAT.

Occupancy costs £2.8 million (+£0.4 million, +17%), depreciation and amortisation costs £2.5 million (-£0.5 million, -17%)

Occupancy costs increased by £0.4 million, and depreciation and amortisation reduced by £0.5 million. The increase in occupancy costs is due to the head office lease ending in June 2023 and the accounting impact of IFRS 16, the Leases accounting standard, no longer applying. This means depreciation of the right of use asset has been replaced by rent expense for the final three months of the financial year. The lease is being renewed for a limited period.

Regulatory and professional fees £9.8 million (no change)

Regulatory and professional fees did not increase in FY23, due to an uplift in professional fees being partially offset by regulatory fees that were lower than expected.

Other income – tax relief due to shareholders £1.6 million (-£0.8 million, -33%)

Tax relief due to shareholders relates to life insurance company tax requirements and thus is subject to valuations at year-end, which are inherently dependent on market valuations at that date.

Non-underlying expenses

Non-underlying expenses – other £0.4 million (-£2.3 million, -85%)

In FY22, within non-underlying expenses, we recognised £3.0 million of ongoing expenses. This was attributable to the IFRS requirement that we recognise the post combination deferred and additional consideration payable to the original T4A shareholders in respect of the acquisition of T4A, as remuneration over the four years from January 2021 to December 2024.

However, T4A has not met the minimum threshold for highly stretching targets to earn the additional consideration element of post combination remuneration. Therefore, the post combination expense in respect of the additional consideration element that was recognised in FY21 and FY22 of £1.6 million has been released, and we have not recognised any cost in FY23. This has led to the reduction in non-underlying post combination remuneration expense for FY23 from £3.0 million to £0.4 million.

Moreover, the post combination consideration cost in respect of FY24 and FY25 is expected to reduce to £2.1 million and £0.5 million respectively, as only the deferred consideration element will now be recognised.

Tax

The Group has operations in three tax jurisdictions: UK, Australia and the Isle of Man. This results in profits being subject to tax at three different rates. However, 96% of the Group's income is earned in the UK.

Shareholder tax on ordinary activities for the year increased by £2.5 million, or 24%, to £12.8 million (FY22: £10.3 million) due to the increase in taxable profit and the increase in corporation tax rate from 19% to 25%, with effect from 6 April 2023.

Our effective rate of tax over the period was 20% (FY22: 18%). The effective rate of tax in FY22 was dampened by the effect of the backdated, non-recurring VAT expense of £8.8 million, incurred in September 2022, being tax deductible.

Our tax strategy can be found at: ***https://www.integrafin.co.uk/legal-and-regulatory-information/.***

Consolidated statement of financial position

Net assets have grown 10% (FY22: 8%), or £16.7 million, in the year to £189.9 million, and the material movements on the consolidated statement of financial position are as follows:

Cash and significant cash flows

Shareholder cash has decreased by £5.1 million year on year to £177.9 million (FY22: £183.0 million). This is due to the strong cash flows generated from operating activities being used to invest in gilts to maximise returns, whilst maintaining minimal risk on assets supporting regulatory solvency requirements. The gilt investments increased by £19.3 million from £3.1 million to £22.3 million. We also paid dividends of £33.7 million in the year (FY22: £33.7 million).

We continue to operate without any need for debt, so have not incurred an increase in financing costs from the increase in base rate through the year, rather, we benefited due to our strong corporate cash reserves.

Deferred tax asset, non-current provisions and non-current deferred tax liability

The reduction in the deferred tax asset of £5.2 million to £0.8 million (FY22: £6.0 million) the non-current provisions of £5.6 million to £40.5 million (FY22: £46.1 million), and the current provision of £3.0 million to £7.7 million (FY22: 10.7 million), plus the increase in non-current deferred tax liabilities of £6.4 million to £7.3 million (FY22: 0.9 million) are all a function of the realised and unrealised gains that have arisen on policyholder assets, as the value of linked funds has risen year on year.

ILUK holds tax charges deducted from ILUK policyholders in reserve to meet future tax liabilities and the tax reserve may be paid back to policyholders if asset values do not recover such that the tax liability unwinds.

Investments and cash held for the benefit of policyholders and liabilities for linked investment contracts (notes 17, 18 and 20)

ILUK and ILInt write only unit-linked insurance policies. They match the assets and liabilities of their linked policies such that, in their own individual statements of financial position, these items always net off exactly. These line items are required to be shown under IFRS in the consolidated statement of comprehensive income, the consolidated statement of financial position and the consolidated statement of cash flows but have zero net effect.

Cash and investments held for the benefit of ILUK and ILInt policyholders have risen to £24.4 billion (FY22: £22.2 billion). This increase of 10% is entirely consistent with the rise in total FUD on the investment platform.

Capital resources and capital management

To enable the investment platform within the Group to offer a wide range of tax wrappers, there are three regulated entities within the Group: a UK investment firm, a UK life insurance company and an Isle of Man life insurance company.

Each regulated entity maintains capital well above the minimum level of regulatory capital required, ensuring sufficient capital remains available to fund ongoing trading and future growth. Cash and investments in short-dated gilts are held to cover regulatory capital requirements and tax liabilities.

The regulatory capital requirements and resources in ILUK and ILInt are calculated by reference to economic capital-based regimes.

IFAL is subject to Investment Firms Prudential Regime (IFPR) regulatory capital and liquidity rules introduced in January 2022, following the implementation in the UK of the MiFIDPRU rule book.

These prudential rules require the calculation of capital requirements reflecting 'K' factor requirements that cover potential harms arising from business activities. The K factors are calculated using formulae for assets and cash under administration.

Regulatory Capital as at 30 September 2023

	REGULATORY CAPITAL REQUIREMENTS £m	REGULATORY CAPITAL RESOURCES £m	REGULATORY COVER %
IFAL	33.3	44.4	133
ILUK	201.4	261.6	130
ILInt	23.8	41.1	173

Regulatory Capital as at 30 September 2022

	REGULATORY CAPITAL REQUIREMENTS £m	REGULATORY CAPITAL RESOURCES £m	REGULATORY COVER %
IFAL	32.6	39.7	122
ILUK	186.9	244.0	131
ILInt	23.7	42.0	177

The Company's regulated subsidiaries continue to hold regulatory capital resources well in excess of their regulatory capital requirements. We will maintain sufficient regulatory capital and an appropriate level of working capital. We will use retained capital to further invest in the delivery of our service to clients, pay dividends to shareholders and provide fair rewards to employees.

The following table shows the surplus capital held by the Group, after consideration of the Group's risk appetite and future dividend payments. This is shown on a different basis to the above table, which is on a regulatory basis while the below shows equity on an IFRS basis.

Capital as at 30 September

	2023 £m	2022 £m
Total equity	189.9	173.2
Loans and receivables, intangible assets and property, plant and equipment	(30.6)	(30.6)
Available capital pre dividend	159.3	142.6
Interim dividend declared	(23.2)	(23.2)
Available capital post dividend	136.1	119.4
Additional risk appetite capital	(72.7)	(76.2)
Surplus	**63.4**	**43.2**

Additional risk appetite capital is capital the board considers to be appropriate for it to hold to ensure the smooth operation of the business such that it can meet future risks to the business plan and future changes to regulatory capital requirements without recourse to additional capital – see the Going Concern and Viability Statement on pages 69 to 71.

The board considers the impact of regulatory capital requirements and risk appetite levels on prospective dividends from its regulated subsidiaries.

IFAL's Public Disclosures document contains further details and can be found on our website at: ***https://www.integrafin.co.uk/legal-and-regulatory-information/***.

As stated in the Chair's report, the board has declared a second interim dividend for the year of 7.0 pence per ordinary share, taking the total dividend for the year to 10.2 pence per share (FY22: 10.2p).

Dividends

During the year to 30 September 2023, IHP (the Company) paid a second interim dividend of £23.2 million to shareholders in respect of financial year 2022 and a first interim dividend of £10.6 million in respect of financial year 2023.

In respect of the second interim dividend for financial year 2023, the board has declared a dividend of 7.0 pence per ordinary share (FY22: 7.0p).

The financial year 2023 total dividends paid and declared of £33.7 million compares with full year interim dividends of £33.7 million in respect of financial year 2022.

RISK AND RISK MANAGEMENT

Understanding our risks is key to safeguarding our clients, shareholders and employees. By maintaining an effective risk management framework we aim to achieve good outcomes that meet the Group's strategic objectives within approved risk appetites.

Overview

Effective risk management is critical for the delivery of the Group's strategic objectives and supports positive outcomes for our stakeholders.

Risk management assists the board in understanding its current and future risks and provides appropriate information that is incorporated into our strategic decision making and business planning processes. It encompasses all strategic, financial and operational risks that may prevent us from fulfilling our strategic objectives, as set out on pages 16 to 19. The inherent risk environment faced by the Group develops over time, the impact and mitigation of these risks are set out in the Principal Risks and Uncertainties section on pages 63 to 68.

Risk management and ownership culture

Promoting a culture of awareness and ownership is essential for ensuring that risk implications are considered and managed for our stakeholders, who are defined on page 80.

The Group Risk Management Policy (RMP) establishes the requirement for risk to be considered across all the Group's operations. The RMP is overseen by the IHP CEO, supported by the senior management team. The IHP CEO, together with the CRO, is accountable to the board for effective risk management across the Group. The RMP is reviewed at least annually.

The Risk Management Framework (RMF), which supports the RMP, defines the Group's systems of governance, risk appetite and risk management processes. This framework drives a consistent approach to identifying, measuring and controlling risks, forming a continuous and disciplined part of the evaluation of business opportunities, uncertainties and threats in managing good stakeholder outcomes, within approved risk appetites.

Risks are captured through regular discussions with senior management and risk owners across the Group, using a robust and consistent measurement methodology, which is designed to ensure the capture of potential harms arising from business activities.

The measurement includes the application of stress testing and scenario analysis and considers whether relevant controls are in place, along with available management actions.

We ensure an embedded and consistent risk management approach is adopted, coupled with effective policies and procedures, designed to prevent, minimise and/or detect any risk of failure to comply with regulatory obligations. The extent of the risk is compared to board-approved risk appetites, as well as specific limits and triggers. Reporting forms an integral part of the governance framework and breaches in limits or appetite thresholds are escalated through the relevant Committees. There is also a clear process for the escalation of risk events.

Governance

The IHP Audit and Risk Committee (IHP ARC) supports the board and is responsible for reviewing and challenging the manner in which the Group implements and monitors the adequacy of the RMF. The role and activities of the IHP ARC are set out on pages 97 to 105.

The audit and risk governance arrangements of the Group's regulated entities are undertaken by audit and risk committees (ARC) for each regulated entity. These regulated entity ARCs, which provide risk and compliance challenge and oversight, along with Internal Audit assurance of the regulated entities, are made up of independent NEDs. The IHP ARC receives updates at each meeting from the respective Chair of the regulated entity ARCs on key areas of escalation.

Together, they assist the respective boards and senior management in fostering a culture that encourages good stewardship of risk and an emphasis that demonstrates the benefits of a risk-based approach to management of the Group.

The "three lines" risk governance model

The Group's RMF is implemented through a "three lines" model, to enable delineation of responsibility and to ensure that the Company operates within the risk appetite defined by the ARC and approved by the board.

The 'first line' business is responsible and accountable for managing risks on a day-to-day basis within appetite and in line with risk policies. This is then combined with oversight from the 'second line' Group risk management and compliance functions, and independent assurance is provided by the 'third line' Group internal audit function to form a 'three lines' model.

RISK APPETITE

Our risk appetite is the degree of risk that we are prepared to accept in pursuit of our strategic financial objectives.

The board is responsible for establishing the risk strategy and approving the risk appetite statements. We define our risk appetite statements on a quantitative and qualitative basis, using the principal risk taxonomy set out in our RMF. This provides a consistent approach from which each of our operating companies set their own risk appetite statements to meet the common aims of the Group. We have generally adopted an overall conservative approach, which is reflected in our risk appetite preferences and in the overall approach to risk management. Our risk appetite preferences, aligned to our risk exposures, business strategy and our desire to ensure good outcomes for all our stakeholders, can be articulated as follows:

RISK CATEGORY	RISK APPETITE PREFERENCES
Strategic and business risk	We ensure that our business provides an acceptable level of return within the boundaries of the risks that are taken which are aligned with our strategic aims and approved appetites. We aim to manage market consensus to be in line with internal business planning forecasts. We proactively engage with external agencies including, analysts, media, regulators and industry groups. Our business model and investment supports our ambitions and strategy for delivering against climate related obligations.
Operational risk	We do not actively seek to take operational risk to generate returns. We accept a level of operational risk that means the controls in place should prevent material losses but should not excessively restrict business activities. We aim to have a zero-risk appetite for operational risk that creates harm to, or results in poor client outcomes; this includes any harm arising from systematic failures, from our cultural outlook or in any element of the client life cycle. We have a zero-risk appetite for material regulatory breaches.
Market risk	We prefer secondary market risk through charges determined on clients’ portfolio values. This is central to our proposition and we accept the potential impact of the volatility of market prices on financial performance.
Capital and liquidity risk	We have a prudent capital management approach and we currently invest shareholder assets in high quality, highly liquid, short-dated investments. We prefer savings and pension products with low capital requirements and without financial guarantees.
Credit and counterparty risk	We limit our exposures to credit institutions with a high credit quality score for bank deposits, trading debtors and trading related, pre-funding activity. We have limited appetite for intra-Group lending.
Insurance risk	As regards the writing and administration of insurance business, we have a preference for savings and pensions products with low levels of sums assured and no financial guarantees.
Group risk	We accept certain risks and ensure that these are appropriately identified, managed, mitigated and monitored through the Group risk register.
Concentration risk	The risks facing the Group are identified and recorded in the risk register. The inherent and residual risk profile is regularly reviewed to understand and assess any concentration of risks and to ensure these are appropriately managed and monitored through our risk appetites and governance arrangements.

Risk exposures are regularly assessed by the Group's risk management function against risk appetite, using a comprehensive set of key risk indicators which are reported to senior management, the subsidiary ARCs, and the IHP ARC as appropriate.

Risk capital frameworks

The Company's regulated subsidiaries fall under various risk capital regimes. The regimes are guided by similar underlying risk principles, albeit the results and reporting requirements are regime specific.

The Company's regulated subsidiaries maintain a sound and appropriate system of capital management in order to meet their strategic capital objectives, preferring a simple system of capital management, which reflects the nature of their businesses. At a legal entity level, the regulated subsidiaries are capitalised at the required regulatory minimum, plus an adequate buffer defined as part of their capital management, risk appetite and dividend policies.

Our stakeholders expect us to be resilient in our operations. We actively manage our risk exposure against appetite across our defined principal risk categories, as well as the emerging risks derived from management insight and other reliable external sources to undertake stress and scenario testing. These are used to identify additional impacts on the ability of the Group and its regulated subsidiaries to meet capital and liquidity needs, due to changes in the external environment that are over and above the amount of capital held. More details of these are set out in the Principal Risks and Uncertainties statement, pages 63 to 68.

Oversight is provided by management, ARCs and boards to ensure exposures are adequately identified and acted upon in a timely manner. We ensure, through our Risk Capital frameworks, that our regulated entities hold adequate capital to meet obligations. During the reporting period, each regulated subsidiary was fully compliant with the applicable risk capital regime and any applicable solvency capital requirement (SCR). Additionally, the balance sheets and SCRs are regularly monitored and, in line with regulatory requirements, reported to the applicable regulators as required.

Regulatory capital requirements

For information on our compliance with the relevant regulatory capital requirements, please see pages 58 to 59 in the Financial Review.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors, in conjunction with the board and ARC, have undertaken a review of the potential risks to the Group that could undermine the successful achievement of its strategic objectives, threaten its business model or future performance and considered non-financial risks that might present operational disruption.

The tables below set out the Group's principal risks and uncertainties to the achievement of the identified strategic objectives, risk trend for 2023 together with a summary of how we manage the risks. These have been referenced to the strategic objectives set out on pages 16 to 19.

Business and strategic risks

PRINCIPAL RISK AND UNCERTAINTY	MANAGEMENT OF THE PRINCIPAL RISK AND UNCERTAINTY
Service standard failure – our high levels of client and adviser retention are dependent upon our consistent and reliable levels of service. Failure to maintain these service levels would affect our ability to attract and retain business. There is a potential risk of greater outflows than expected and/or a net outflow of FUD impacting profitability and/or the medium/long-term sustainability of the platform. **Change over the year** Stable **Aligned to strategic financial objectives** Sustainable growth Increase earnings	We manage the risk by providing our client service teams with extensive initial and ongoing training, supported by experienced subject matter experts and managers. The challenges facing the business and the wider industry, have increased during the year, however monitoring service metrics has allowed us to identify the areas where there is deviation from expected service levels or where processing backlogs have arisen and to deliver targeted remediation plans to ensure client outcomes and service standards are maintained. We have substantially reduced backlogs relative to FY22 and are better able to address them when they occur. We also conduct satisfaction surveys to ensure our service levels are still perceived as excellent by our clients and their advisers. Service standards are also dependent on resilient operations, both current and forward looking, ensuring that risk management is in place. T4A continues to develop the delivery of next generation CURO.
Diversion of platform development resources – maintaining our quality and relevance requires ongoing investment. Any reduction in investment due to diversion of resources to other non-discretionary expenditure (for example, regulatory developments) may affect our competitive position. **Change over the year** Increase **Aligned to strategic financial objectives** Sustainable growth Invest Increase earnings	The risk of reduced investment in the platform is managed through a disciplined approach to expense management and forecasting. We horizon scan for upcoming regulatory and taxation regime changes and maintain contingency to allow for unexpected expenses e.g. UK Financial Services Compensation Scheme (FSCS) levies, which ensures we do not need to compromise on investment in our platform to a degree that affects our offering. The risk has increased over the year driven in large part due to preparation for, and the implementation of, the Consumer Duty regime for our regulated entities, both as manufacturers and/or distributors. We remain proactive in embedding all mandatory changes (e.g. Consumer Duty, Operational Resilience, HMRC changes to lifetime allowances) through our business-as-usual model. Our platform developers remain responsive to the business needs and have increased developer resources over the year.

PRINCIPAL RISK AND UNCERTAINTY	MANAGEMENT OF THE PRINCIPAL RISK AND UNCERTAINTY
Increased competition – cheaper and/or more sophisticated propositions – we operate in an increasingly competitive market, both for clients and their advisers. Consolidation in the adviser market makes it more challenging to attract and retain business. The consequences may be that greater outflows are experienced than expected and/or a net outflow of FUD impacting profitability and/or the medium/long-term sustainability of the platform. **Change over the year** Increase **Aligned to strategic financial objectives** Sustainable growth Increase earnings	The advised market remains our key target and competitor risk is mitigated by focusing on providing exceptionally high levels of service and being responsive to client and financial adviser feedback and demands through an efficient process and operational base. We also keep close to the landscape of our platform competitors, as well as the trends impacting the financial adviser market. Our platform service and developments remain award winning. We release a monthly update to our proprietary platform technology, incorporating improvements and new functionality. We continue to develop our digital strategy, expanding our Transact Online interface allowing advisers direct processing onto the platform. This is essential to remain relevant and competitive, improving both functionality and service efficiency and allows us to continue to increase the value-for-money of our service by reducing client charges, subject to profit and capital parameters when deemed appropriate. The Group continues to review its business strategy and growth potential. In this regard, it primarily considers organic opportunities that will enhance or complement its current service offerings to the adviser market. T4A continues to broaden our service offering to advisers. We also continue to support the diversification of the adviser market through the Vertus scheme which continues to be successful.

Financial risks

PRINCIPAL RISK AND UNCERTAINTY	MANAGEMENT OF THE PRINCIPAL RISK AND UNCERTAINTY
Stock and bond market value volatility (Market Risk) – our core business revenue is derived from our platform business which has a fee structure based, in large part, upon a percentage of the FUD. Depressed equity and bond values have an impact on the revenue streams of the platform business. **Change over the year** Increase **Aligned to strategic financial objectives** Sustainable growth Increase earnings Generate cash Retain strong balance sheet Deliver on dividend policy	The risk of depressed stock and bond market values, and the impact on revenue, has been and remains high. External economic, political and geopolitical factors continue to influence markets in 2023. The risk is mitigated through a wide asset offering which ensures we are not wholly correlated with one market, and which enables clients to switch assets in times of uncertainty. In particular, clients are able to switch into cash assets, which remain on our platform supported by our top quartile interest rates. In addition, our wrapper fees are not impacted by market volatility as they are based on a fixed quarterly charge. We can closely monitor and control expenses by continually driving efficiency improvements in our business processes including increasing online and digital processing. Strong investment platform service and sales and marketing activity ensures we attract new advisers and clients. Sustaining positive net inflows during turbulent times presents the potential for longer-term profitability. This value volatility is not expected to ease in the foreseeable future and while hedging options have been explored, they have been deemed expensive in terms of the revenue protection they afford.

PRINCIPAL RISK AND UNCERTAINTY | **MANAGEMENT OF THE PRINCIPAL RISK AND UNCERTAINTY**

Uncontrolled expense risk – higher expenses than expected and budgeted for would adversely impact cash profits.

Change over the year
Increase

Aligned to strategic financial objectives

Generate cash

Deliver on dividend policy

The risk has increased over the year as a direct result of sustained inflationary pressures on the UK and global economy.

The most significant element of our expense base is employee costs. These are controlled through modelling employee requirements against forecast business volumes. The Group has made sustainable salary increases to employees over the year and built out its capability in several key areas across all three lines of risk governance to support the business.

Planned investment in IT and software development deliver enhancements to our proprietary platform enabling us to implement enhanced straight through processing of operational activities. A robust multi-year costing plan is produced which reflects the strategic initiatives of the business. This captures planned investment expenditure required to build our operational capability and cost-effective scalability of the business. Cost base variance analysis is completed monthly with any expenditure that deviates unexpectedly from plan being rigorously reviewed to assess the likely trend with reforecasts completed accordingly.

Occupancy and utility costs have also increased. Regulatory fees decreased slightly while professional fees have increased in line with expectations, as a result of the broad regulatory agenda.

Also notable, and a growing issue, is that suppliers are wrestling with the requirements of climate initiatives in terms of disclosures, and with unit costs for sustainable or green energy and supplies likely to attract a premium as organisations stride toward a net zero carbon footprint. Such costs are difficult to control directly and may unexpectedly impact the base case budget.

Capital strain (including liquidity) – unexpected, additional capital or liquidity requirements imposed by regulators may negatively impact our solvency coverage ratio.

Change over the year
Stable

Aligned to strategic financial objectives

Retain strong balance sheet

Deliver on dividend policy

We continuously monitor the current and expected future regulatory environment and ensure that all regulatory obligations are or will be met. This provides a proactive control to mitigate this risk. Additionally, we carry out an assessment of our capital requirements, which includes assessing the regulatory capital required. We retain a capital buffer over and above the regulatory minimum solvency capital requirements.

We await the detail of corporate tax changes resulting from the OECD Base Erosion and Profit Shifting project relating to our Isle of Man life company, ILInt. We anticipate that there will be a reduced level of retained income, which will impact the future coverage levels of regulatory capital.

Credit risk – loss due to defaults from holdings of cash and cash equivalents, deposits, formal loans and reinsurance treaties with banks and financial institutions.

Change over the year
Stable

Aligned to strategic financial objectives

Retain strong balance sheet

The Group seeks to invest its shareholder assets in high quality, highly liquid, short-dated investments. For the banks holding corporate cash, maximum counterparty limits are set in addition to minimum credit quality steps.

The Vertus loan scheme has an agreed commitment level and the value of the drawn and undrawn balances are monitored regularly. Loans are made on approved business cases.

Non-financial risks

PRINCIPAL RISK AND UNCERTAINTY | **MANAGEMENT OF THE PRINCIPAL RISK AND UNCERTAINTY**

Reputational risk – the risk that current and potential clients' and their advisers desire to do business with the Group reduces due to a lower perception in the marketplace of the Group's offered services covering the Transact platform and T4A adviser support software.

Change over the year
Stable

Aligned to strategic financial objectives

Sustainable growth

The Risk Management Framework provides the monitoring mechanisms to ensure that reputational damage controls operate effectively and reputational risk is mitigated.

Mitigation includes a focus on internal operational risk controls, error management and complaints handling processes as well as root cause analysis investigations. Additionally, controls include training for key company staff on how to manage company reputation internally; regular management and monitoring of the company websites and social media; and engaging the services of an external PR firm to consult on reputational matters.

Political and Geopolitical risk – the risk of changes in the political landscape within the UK and between countries or geographies, disrupting the operations of the business or resulting in significant development costs.

Change over the year
Increase

Aligned to strategic financial objectives

Sustainable growth
Invest
Increase earnings
Generate cash
Retain strong balance sheet
Deliver on dividend policy

Political and Geopolitical risk cannot be directly mitigated by the Group. However, by closely monitoring developments through its risk horizon scanning process, potential impacts are taken into consideration as part of the business planning process.

The external geopolitical environment in 2023 has built on 2022 and become increasingly uncertain through a series of significant global events, including the continuing Russian invasion of Ukraine, the escalating conflict in the Middle East, trade tensions between USA and China, the global energy crisis and supply chain issues. Furthermore, domestic political instability exists within both the UK and the USA with elections due within the next 24 months. These dynamics and related events can cause disruption to markets and macroeconomics with a direct impact on FUD for the Group.

Operational risk (including operational resilience and the sustainability agenda) **–** the risk of loss arising from inadequate or failed internal processes, people and systems, or from external events.

Change over the year
Increase

Aligned to strategic financial objectives

Sustainable growth
Invest
Increase earnings
Generate cash

The Group aims to minimise operational risks at all times, through a strong and well-resourced control and operational structure. Note that operations form an integral part of the ESG and sustainability agenda.

In terms of our progress in this area, please see the TCFD section, which details our progress to reduce the Group's carbon emissions and enhance our reporting on pages 23 to 44, and the Responsible Business section on pages 45 to 52 to see how the Group is ensuring diversity, equity and inclusion is actively embedded across all areas of the business.

We note below the principal types of operational risk below and provide the change over the year for each.

PRINCIPAL RISK AND UNCERTAINTY

MANAGEMENT OF THE PRINCIPAL RISK AND UNCERTAINTY

People – the inability to attract, retain and motivate performing and values-aligned employees within the business.

Significant attrition rates of such employees or an inability to attract such new employees can have a detrimental impact on the service provided as well as poor adherence to regulatory procedures and requirements resulting in reputational damage and potential compliance breaches.

Change over the year

Decrease

The business operates both performance management and talent recognition programmes to reward high performing employee members, identify future leaders, and retain and attract talent within the business.

We maintain a comprehensive career and training development programme and provide a flexible working environment that meets our employees' and business needs. These are supported by robust Group HR policies and practices. Our benefits package is competitive.

No less than annually, the Group undertakes a staff engagement survey and addresses any identified areas for improvement to drive high engagement.

Since the "great resignation" of 21/22 difficulties with the retention of employees and the ability to attract new recruits in our UK and Australian operations have significantly improved.

IT Infrastructure and software – ageing and underinvested IT infrastructure and software has the potential to cause the Group disruption through systems outages, a failure to plan and maintain operational capacity and create vulnerabilities to operational resilience and loss of a competitive market share as newer technology emerges.

Change over the year

Stable

The continuous and evolving sophistication of the cyber threat to our IT infrastructure environment means risk within this space remains high.

Wars and conflict contribute to a global technology environment that is constantly under attack. Protecting our services against this continues to be a core focus. We continue to carry out cyber penetration testing and evolve our cyber security capabilities. Awareness training is provided to ensure employees understand and recognise threats to our business systems.

Investment in IT and software development continues, with modernisation of our digital workplace capabilities presenting opportunity for improved security controls.

There is a full programme of digitalisation work to be delivered over the business planning period for our proprietary investment platform, focussing on the provision of online, straight through processes for common financial planning practices, which will benefit our UK advisers and their clients. This will also significantly increase the scalability of our investment platform.

Integration between adviser software applications is paramount, with data access and synchronisation between systems being key requirements. Our Application Programming Interfaces (APIs) are already integrated with many third-party software providers, and we will continue to enhance our data services to meet the demands of our clients in a secure manner.

PRINCIPAL RISK AND UNCERTAINTY	MANAGEMENT OF THE PRINCIPAL RISK AND UNCERTAINTY
IT Resilience and Information Security - the Group creates, obtains, stores, processes and retrieve significant volumes of commercial and corporate matters, some of which is highly sensitive. **Change over the year** Increase	Data and continuity of services are critical focus areas for us given the increase of risk in channels like cybersecurity. Ensuring that our core services are resilient and that our controls around business and client data are robust is a constantly evolving focus area. Resilience testing of the Transact platform, for example, takes place every two months. In particular, the Group has a dedicated financial crime team and an on-going fraud and cyber risk awareness programme. Additionally, the Group carries out regular IT system vulnerability testing. The crisis management team (CMT) reviews the Group's business continuity plans during the course of the year. Key changes in the last year are the establishment of dedicated first and second line Cyber Security teams, the heads of which are due to start in early 2024. This will provide an improved governance and operational framework for Cyber Security. Beyond IT and cyber security, the Company also has a function led by the Company's Data Protection Officer (DPO) to manage information security risk and compliance with UK GDPR. The DPO carries out monitoring and works with the business to ensure the risks from its evolving physical and digital workplace and business operations are managed.
Regulatory risk - the financial services regulated entities within the Group have a full and stretching regulatory agenda. Expanding law, regulation and guidance need analysing and transitioning effectively into business as usual to avoid failing to comply with regulatory rules or standards. **Change over the year** Increase	The Group has an established compliance function that analyses regulation and advises on and monitors how our financial services regulatory standards are met. The financial services regulated entities in the group ensure regulatory standards are met through a framework of policies, procedures, governance, training, horizon scanning, monitoring and engagement with our regulators. Cross-departmental projects are established to deliver for significant regulatory changes, with Group internal audit undertaking reviews during the project phases and/or post-implementation thematic reviews. During the period such projects included preparation and implementation of the FCA's Consumer Duty, which requires ongoing work to ensure it is embedded within operations, and work to meet FCA PS21/3 Operational Resilience requirements. Meeting the regulatory agenda is an imperative for the operation of our core platform business. The regulatory agenda remains challenging, particularly in light of the demands of the new Consumer Duty.

Emerging risk focus

Through regular conversations and more formal quarterly risk review meetings with risk owners and other business stakeholders, attending industry events and reviewing external sources, emerging risks are identified. These emerging risks by their nature have uncertainty of likelihood and impact on the business. Emerging risks are categorised as near- (next 12 months), medium- and longer-term (more than 3 years) and are regularly reported and assessed, both at the executive level and, no less than quarterly, at ARCs and boards where appropriate.

Emerging risks discussed during 2023 have included:

- Changing expectations of the UK and Isle of Man regulators.
- Increasing regulatory scrutiny or focus impacting our platform business model.
- Shift in tax regime which may alter the tax benefits of pensions and ISAs including the abolition of inheritance tax.
- The aging population of the UK, the platform client base and the advisers using our platform and/or the CURO software and the generational shift in wealth to different generations with differing preferences and needs.

The directors have carried out a robust assessment of the principal and emerging risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. Details of the results and conclusions of this assessment can be found in the "Going Concern and Viability Statement" section on pages 69 to 71.

GOING CONCERN AND VIABILITY STATEMENT

In accordance with the Code, the directors have assessed whether the Group is considered a going concern over the following 12-month period, as well as the prospects and viability of the Group over a period of three years.

Going concern

The Strategic Report sets out the Group's business model, its strategic objectives and the associated risks, and the annual financial review on pages 53 to 59.

Going concern is assessed over the 12-month period from when the Annual Report is approved, and the board has concluded that the Group has adequate resources to continue in operational existence for the next 12 months. As detailed in the going concern disclosure in the financial statements in note 1, this is supported by:

- The current financial position of the Group;
- Detailed cash flow and working capital projections; and
- Stress-testing of liquidity, profitability and regulatory capital, taking account of possible adverse changes in the economic climate

When making this assessment, the board has taken into consideration both the Group's current performance and the future outlook, including the impact of the cost-of-living crisis, sustained levels of high inflation, increasing interest rates and volatile equity markets. The environment has been challenging during the year, but our financial and operational performance has been robust, and the Group's fundamentals remain strong.

Having conducted detailed cash flow and working capital projections, and appropriate stress-testing on liquidity, profitability and regulatory capital; taking account of the economic challenges mentioned above; the board is satisfied that the Group is well-placed to manage its business risks. The board is also satisfied that it will be able to operate within the regulatory capital limits imposed by regulators, being the FCA, PRA, and IoM FSA.

The board has concluded that the Group has adequate resources and there are no material uncertainties to the Group's ability to continue to operate for the foreseeable future, being a period of at least twelve months from the date this Annual Report is approved. For this reason, they have adopted the going concern basis for the preparation of the financial statements.

Viability

The key factors affecting the Group's viability and prospects are its market position and recurring revenue.

Market position

Market position can be assessed as follows: independent research consistently rates Transact as the top platform in the market (page 13); and, the number of advisers using the platform and the number of clients on the platform both increased by 2% during the year.

The above measures all demonstrate adviser and client satisfaction with the service provided.

Recurring revenue

The absolute level of revenue is dependent on market values, but key to the recurrence is the retention of FUD. The T4A business also has a level of recurring business through repeat and long-term contracts to provide the CURO service. Maintaining the recurring revenue base across these activities is achieved through retaining client and advisers through our service delivery. 98% of revenue is of recurring nature (page 54).

Our approach is to focus on organic growth of FUD through positive net flows to the platform. We aim to generate growth in revenue, and to control costs, to ensure that the Group's profit margin is resilient over the medium term.

Assessment period and measures

It is the board's view that a three-year time horizon is an appropriate period over which to assess its viability and prospects and to execute its business plan. This assessment period is consistent with the Group's current business plan projections and the Internal Capital and Risk Assessment process (ICARA) and Own Risk and Solvency Assessments (ORSA) of the Group's regulated entities. Consideration is also given to projections beyond this period, though this does not form part of the formal assessment.

The strategy and business plan are reviewed and discussed annually by the board and updated as appropriate. It considers the Group's profitability, cash flows, capital requirements, dividend payments, and other key variables such as liquidity and the solvency requirements of the regulated entities. These are considered under stress and scenario tests, to ensure the business has sufficient flexibility to withstand such impacts by adjusting its plans within the normal course of business.

The stress and scenario tests applied are severe, yet plausible, at both an individual and combined level. We recognise the importance that climate change may have on our business and our approach for the current financial year towards climate related scenarios is set out in our TCFD disclosures on pages 23 to 44.

The key scenarios considered for the financial year are as follows:

Cyber-attack

A hacker exploits a loophole in security allowing them to gain network access and extract data and information which is used for fraudulent purposes, attracting significant media attention as well as a requirement to pay compensation to clients and fines.

Undetected bug after system development

A bug introduced within a system release goes undetected for a period of time which causes client trades to be executed incorrectly. This causes reputational damage, and remediation plans require significant resource along with compensation payments to clients.

Persistent high inflation and continued market uncertainty

Continued market uncertainty and an extended period of high inflation results in a loss of confidence in capital and investment markets that has a detrimental effect on revenues.

Supplier failures cause a severe impact to Transact's service standards

Multiple suppliers cause Transact to be unable to fulfil its contractual obligations to clients and the business is therefore overwhelmed by queries, exacerbated by an outage of communication systems. This causes reputational damage, and remediation plans require significant resources along with compensation payments to clients.

Unforeseen customer harms as a result of a systemic process failure

Failure by our UK regulated entities to appropriately identify, implement or embrace appropriate conduct standards, which causes consumer harm. This causes reputational damage, as well as a requirement to pay compensation to clients and fines.

Policyholder protection scheme levy event

An Isle of Man-authorized life company becomes insolvent, triggering arrangements under the Life Assurance (Compensation of Policyholders) Regulations 1991. ILInt makes the decision to pass through the levy to policyholders to avoid becoming insolvent itself. A large number of policyholders surrender their policies to avoid payment of the levy, and ILInt is therefore required to top up the amount due. As a result, management determines that ILInt is no longer viable.

To illustrate the severity of the scenarios modelled, the following table sets out some of the key changes in parameters made in the scenarios. The most severe scenarios modelled assumed a number of these changes occurred within the same scenario during the business planning period.

ASSUMPTIONS UNDERLYING THE STRESS SCENARIOS

RISK FACTOR	STRESS APPLIED TO BASE CASE ASSUMPTION
Market downturn	A market fall of 33% over a one month period.
Mass lapse	30% drop in the number of clients over three months.
Increase in outflows	65% increase in outflow rates for up to twelve months.
Decrease in inflows	30% decrease in inflow rates for twelve months.
One-off spikes in operating costs	Up to £12.0m one-off spike in operating costs depending on the underlying stress scenario.
Expense increase	Expense increase over business planning period 10%.

The results of the above stress and scenario tests led to the following conclusions:

- Under a range of stressed scenarios, no expected profit or liquidity issues are expected to arise in the Group over the three-year business planning period and beyond;
- Each of the regulated entities has sufficient available capital to cover its regulatory solvency requirements, and this is expected to continue over the three-year business planning period and beyond; and
- Under a range of stressed scenarios, the entities are still able to meet their capital and liquidity requirements over the three-year business planning period and beyond.

The directors' assessment has been made with consideration and reference to: the Group's current position and three year business plan; the Group's risk appetite; the Group's financial projections; and, the Group's principal risks and uncertainties, including uncertainty caused by the economic climate globally and in the UK as well as the geopolitical uncertainty.

In accordance with the Code, the directors have assessed the Group's prospects by reference to the three-year planning period to September 2026. The directors have a reasonable expectation that the Group will continue to meet its liabilities as they fall due, and that it will be able to operate within the regulatory capital limits imposed by the regulators over the period of this assessment and beyond.

NON-FINANCIAL INFORMATION STATEMENT

The Strategic Report includes non-financial information required in accordance with section 414CB of the Companies Act 2006. The most directly relevant non-financial information is signposted below; however, the Strategic Report does touch on these topics briefly in other sections:

S414CB REQUIREMENT	RELEVANT STRATEGIC REPORT SECTION
Environmental matters	Taskforce on Climate-Related Financial Disclosures (TCFD) Statement, pages 23 to 44
Employees	Responsible Business – Our People, pages 45 to 52, Nomination Committee Report, pages 107 to 112
Social and community	Responsible Business – Our People, pages 45 to 52
Human rights	Responsible Business – Our People, page 52
Anti-bribery and corruption	Responsible Business – Our People, page 51
Business model	Strategy and Business Model, pages 13 to 15
Principal risks and how they are managed	Risk and Risk Management, pages 60 to 68
Non-financial key performance indicators	Strategy and Business Model, pages 13 to 15, Key Financial Performance Indicators, pages 20 to 22

Approval of the Strategic Report

A statutory requirement of the Annual Report is that the directors produce a Strategic Report.

Section 172 of the Companies Act states that the purpose of the report is to inform members of the Company and help them assess how the directors have performed their duty. To fulfil this, directors must act in a way they consider, in good faith, would be most likely to “promote the success of the Company for the benefit of its members as a whole”.

The Strategic Report should provide shareholders with a comprehensive and balanced overview of the Group’s business model, strategy, development, performance, position and future prospects. The Strategic Report should be clear, concise and unambiguous, and should demonstrate how the Company has considered the interest of employees, and the impact of the Company’s operations on the community and environment.

The directors believe that the Strategic Report on pages 2 to 72 meets all relevant statutory objectives and requirements.

By order of the board,

Helen Wakeford
Company Secretary

13 December 2023

CORPORATE GOVERNANCE REPORT

INTRODUCTION

On behalf of the board, I am pleased to present the report setting out the Group's corporate governance arrangements, which reflect the standards required by the 2018 UK Corporate Governance Code (the 'Code').

The Group's purpose is to enable clients to easily manage their financial plans with the help of their financial advisers though the provision of high-quality financial software and customer service. Proportionate and effective governance facilitates the Group in the overall delivery of that purpose whilst providing assurance and accountability to all our stakeholders that their interests are paramount.

We continue to abide by the overriding principles of the 2018 Code which are designed to:

- Promote the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society. Further details relating to this are set out in the long-term consequences of decisions section in the Companies Act Section 172 statement, on page 87;
- Provide suitable opportunity for employee engagement in the business. Further details relating to this are set out in the interests of the Group's employees section in the Companies Act Section 172 statement, on page 87;
- Assist the effective review and monitoring of the Group's activities;
- Help identify and mitigate significant risks to the Group, as set out in our Risk Report on pages 60 to 68; and
- Provide the necessary disclosures to stakeholders to make a meaningful analysis of the Group's business activities and its financial position.

To enable easy navigation our governance report has been structured to reflect the composition of the Code. Where there are links to the content in our strategic report, these are highlighted for the reader.

1. Board Leadership and Company Purpose
2. Division of Responsibilities and the Role of the Board
3. Board Composition, Succession and Evaluation
4. Audit Risk and Internal Control
5. Remuneration

Statement of compliance

The Code sets out the principles and provisions relating to good governance of UK listed companies and can be found on the Financial Reporting Council's (FRC) website at ***www.frc.org.uk***.

The Company has, throughout the year ended 30 September 2023, applied the principles, and complied with the provisions, of the Code except in relation to the following:

Provision 36: The Company’s remuneration structure has adopted a vesting period for deferred bonus shares of three years, rather than the Code’s recommended five years. Minimum shareholding and post-employment shareholdings requirements are in place for executive directors as recommended by the Code. The Company believes that the executive directors are sufficiently invested in the Company’s long-term success and that further restrictions are not currently required. We will however keep this under review.

Provision 38: The Company’s remuneration policy allows all employees, including executive directors, the option annually to have a portion of their cash bonus paid as a contribution into their pension. This does not comply with the Code’s requirement for directors that only basic salary should be pensionable. However, none of the executive directors currently take advantage of this provision in the remuneration policy. The Company plans to review the policy on pension sacrifice for the directors in the next iteration of the remuneration policy.

Richard Cranfield
Chair

13 December 2023

BOARD LEADERSHIP AND COMPANY PURPOSE
BOARD OF DIRECTORS

Richard Cranfield, Non-Executive Chair

Appointed to the board:
26 June 2019

Skills and expertise:
Richard is a qualified (no longer practicing) Solicitor and has an MA in Economics and Law from Cambridge University. His previous experience includes working for Allen & Overy LLP (and its predecessor firm) between 1978 and 2022, being a partner from 1985 to 2021.

External appointments:

- Henderson High Income Trust Plc – Director, 2020 to present

Alexander Scott, Chief Executive Officer

Appointed to the board:
11 February 2014

Skills and expertise:
Alexander joined the Group as Actuary and Head of Group Technical Operations in October 2009. From November 2010 he was Chief Financial Officer and Head of Risk, becoming a director in July 2011. Alexander became Chief Executive Officer in March 2020.

Alexander has a BSc in Actuarial Science from City University and is a Fellow of the Institute of Actuaries. Alexander has spent thirty years in the insurance market, quantifying and assessing risk and has held the Chief Risk Officer function for both investment and insurance companies as well as holding the Chief Actuary function. His previous experience includes various roles at Criterion Assurance Group, including: Non-Executive Director (2003-2010); Director (1999-2003); and Actuary (1997-1999), and Life Director and Chief Actuary at Sterling Insurance Group between 2004 and 2009.

Jonathan Gunby, Executive Director

Appointed to the board:
2 March 2020

Skills and expertise:
Jonathan joined the Group in 2011 as Chief Development Officer and was appointed to the board of Integrafin Financial Arrangements Limited (Transact) in 2018. He became an Executive Director of IHP in March 2020 and Chief Executive Officer of Transact.

Jonathan has a BA in Business Studies from De Montfort University, Leicester, and is a Fellow of the Chartered Institute of Marketing. He held senior marketing roles at Royal Insurance Group across Life, Pensions and Fund Management and at National and Provincial (N&P) Building Society. He served as a director in N&P's life assurance business, a joint venture with Aviva. Jonathan started a consulting firm which, in 1999, was moved into NMG Holdings where Jonathan remained as an Executive Director until 2011.

Audit and Risk Committee   Nomination Committee   Remuneration Committee

Michael Howard, Executive Director

Appointed to the board:
11 February 2014

Skills and expertise:
Michael co-founded the Group in 1999, was Executive Chair of the Group from 2001 until stepping down in October 2017 and becoming an Executive Director. He founded ObjectMastery in Australia in April 1992, which developed the software which underpinned the creation and development of the Transact platform.

Michael holds a BA in Economics from York University and is qualified as a chartered accountant. His previous experience includes working for Touche Ross in the audit division in London (1980-1984) and Melbourne (1984-1986) and working for Norwich Union Life Insurance, where he was responsible for marketing and administration of investment funds including the launch of the platform Navigator in 1990.

Caroline Banszky, Independent Non-Executive Director

Appointed to the board:
22 August 2018

Skills and expertise:
Caroline is a qualified Chartered Accountant, having originally trained at what is now KPMG. Her previous experience includes being Chief Executive of The Law Debenture Corporation plc between 2002 and 2016, COO of SVB Holdings PLC (now Novae Group plc) between 1997 and 2022 and Finance Director of N M Rothschild & Sons Limited between 1995 and 1997.

External appointments:

- Gore Street Energy Storage Fund plc - Chair of Audit Committee, 2018 to present
- Benefact Trust Limited– Director and Trustee, 2018 to present
- The Open University - Member of the Investment Committee, 2016 to present
- 3i Group plc – Chair of Audit and Compliance Committee, 2014 to 2023

Victoria Cochrane, Senior Independent Non-Executive Director and Designated Non-Executive Director for Environmental and Social Sustainability

Appointed to the board:
28 September 2018

Skills and expertise:
Victoria is a qualified (non-practicing) Solicitor, with over twenty years' experience as General Counsel and held various executive roles with Ernst & Young between 2006 and 2013, including Global Head of Risk, where she created the global enterprise risk management framework. Victoria's previous roles include: Non-Executive Director of Perpetual Income and Growth Investment Trust plc between 2015 and 2020; Non-Executive Director of Gloucester Insurance Limited between 2008 and 2013; Senior Adviser at Bowater Industries Limited between 2014 and 2015; and Non-Executive Director at HM Courts and Tribunal Service from 2014 to 2023.

External appointments:

- Ninety one plc – Chair of the Audit and Risk Committee, 2019 to present
- Euroclear Bank SA/NV – Non-Executive Director, 2016 to present
- CBI – Senior Independent Director and Audit and Risk Committee and Nominations Committee Chair, 2023 to present

Rita Dhut, Independent Non-Executive Director and Designated Non-Executive Director for Employee Engagement

Appointed to the board:
22 September 2021

Skills and expertise:
Rita has a BSc in Business Studies from City University. Her previous experience includes: various positions at Aviva Investors between 2001 and 2012, including Head of European Equities and Head of Pan-European Equity Value Investing; and various positions at M&G between 1994 and 2000, including Director of European Equities.

External appointments:

- Financial Times Foundation for Financial Literacy – Founder Trustee and Non-Executive Director, 2021 to present
- JP Morgan European Investment Trust Plc – Non-Executive Director, 2019 to present and Chair from 2022 to present
- Ashoka India Equity Investment Trust Plc – Non-Executive Director, 2018 to present

Robert Lister, Independent Non-Executive Director

Appointed to the board:
26 June 2019

Skills and expertise:
Robert has a BA in Classics from Oxford University. His previous experience includes: Non-Executive Director of Credit Suisse Asset Management (UK) Limited, between 2012 and 2022; Director of Aberdeen Smaller Companies Income Trust PLC, between 2012 and 2022, Non-Executive Director of Investec Wealth and Investment Limited between 2010 and 2020; Director of Rensburg Sheppards PLC, between 2008 and 2010, as well as working for Dresdner Kleinwort Wasserstein between 1998 and 2008 and Barclays de Zoete Wedd between 1983 and 1998.

External appointments:

- Cavendish Financial – Director, 2021 to present
- The Salvation Army International Trustee Company – Director, 2016 to present

Christopher Munro, Independent Non-Executive Director

Appointed to the board:
1 February 2017

Skills and expertise:
Christopher is a qualified Chartered Accountant and has an LLB from Edinburgh University. Christopher's previous experience includes being Founding Partner of London and Continental Partners LLP from 2016 to 2021, Director of Pacific Capital Partners from 2004 to 2021, Director of Jupiter Enhanced Income Trust from 1996 to 2009, CEO of River & Mercantile Investment Management from 1994 to 1996, Director of Robert Fleming Holdings Limited between 1988 and 1994 and Director of Jardine Fleming Holdings between 1983 and 1986.

All directors were in office throughout the financial year up to the date of the report.

S.172 STATEMENT

S.172 of the Companies Act ("the Act") requires each director to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

(a) the likely consequences of any decision in the long term,

(b) the interests of the Company's employees,

(c) the need to foster the Company's business relationships with suppliers, customers and others,

(d) the impact of the Company's operations on the community and the environment,

(e) the desirability of the Company maintaining a reputation for high standards of business conduct, and

(f) the need to act fairly as between members of the Company.

Board leadership and Company purpose

Our purpose, values and strategy are set out on pages 13 to 15 and describe the Company's focus. The board's focus is to ensure that the Group delivers long-term sustainable value for all stakeholders.

To deliver this the board oversees the maintenance of a sound system of internal controls and continually reviews the overall effectiveness of the Group's risk management systems.

The board also oversees the Group's culture to ensure it is aligned with the Company's purpose, values and strategy.

Measuring performance against strategic objectives

Performance against the Company's strategy, objectives, business plans and budgets is considered at each board meeting. Working in co-ordination with the Audit and Risk Committee the board maintains oversight of the Company's operations and ensures the Company fulfils its business objectives.

Considering stakeholders

The board's role in promoting the long-term success of the Group requires consideration of the balance of interests between all stakeholders – those being our clients and advisers, employees, regulators, shareholders, suppliers, and the community. Details of how the board has delivered its responsibilities under s.172(1) of the Act during the financial year are outlined on pages 87 to 90. In addition, our s.172 statement outlines how the board has considered stakeholders in its principal decision-making processes.

The following table supports our s.172 statement by setting out how we have engaged and considered our key stakeholders during the year, the outcomes and any highlights of such efforts.

Engaging with our stakeholders – what we did in the year

OUR STAKEHOLDER | **HOW WE ENGAGE AND CONSIDER OUR STAKEHOLDERS** | **OUTCOMES AND HIGHLIGHTS**

Our clients and advisers

How we engage and consider our stakeholders

Transact

- Speaking/presenting to advisers and paraplanners at 'Connect day' and regional 'breakfast briefing' events across the UK.
- Engaging with advisers and paraplanners at annual Personal Finance Society and Chartered Institute for Securities and Investment events and other conferences during the year.
- Distribution of annual client and adviser surveys to gain feedback on common development requests from clients and advisers, in an effort to tailor and enhance our services and functionality.
- Liaising and coordinating with our user firms as part of our Account Management Programme to gain feedback on how best we can develop our proposition for use by user firms and their end clients.
- Monthly newsletter to adviser firms to provide updates and support on our platform offering.

T4A

- High-touch, pre-commitment engagement with prospective clients to ensure suitability between our software capability and the needs of the firm.
- Implementation consultants ensure that all aspects of service delivery are planned and delivered to clients until handed over to an appointed account manager.
- Proactive engagement with clients and online training sessions to increase understanding and use of technology and to ensure best customer service is provided.
- T4A has engaged an independent third-party to facilitate and chair quarterly user groups to seek client feedback.

Outcomes and highlights

Transact

- Comprehensively reviewed our products and pricing to ensure full compliance with the requirements of Consumer Duty.
- Implemented new controls and communication systems to ensure that clients and advisers are kept fully apprised of changes to their portfolio/assets, especially pertaining to fees and risk.
- Increased the flow of information between Transact and the manufacturers of other financial services products, largely fund managers, fulfilling our requirements as distributor to have oversight of whether products are providing the end client value for money and meeting intended outcomes.
- Following feedback from clients, advisers and firms we have made changes to our offering including:
  - e-signature capability with multiple providers
  - Increased security authentication via two-step verification
  - New online 'transfer tracker' has been introduced
  - The launch of our BlackRock-backed Model Portfolio Service
  - Comprehensive 'Investor Reports' that can be sent by the adviser to the client in the 'Pick-Up-Page

T4A

- Client feedback helps T4A to continually improve the training and information it provides to clievnts on the full range of functionality that CURO can provide.
- Clients are supported to customise specific elements of CURO software to best support the processes and services of the particular adviser firms.
- Client influence on Product Providers and Platforms also helps drive up the availability of data feeds from these external parties such as valuations.

OUR STAKEHOLDER	HOW WE ENGAGE AND CONSIDER OUR STAKEHOLDERS	OUTCOMES AND HIGHLIGHTS
Employees 	• Employee engagement and pulse surveys. • A 'People Platform' was implemented for the London and Isle of Man offices. • At IAD, team leader/project lead meetings and all-employee sessions are held fortnightly. • The DNED for Employee Engagement, in conjunction with the Head of HR, facilitates quarterly employee forums. • Multiple in-person town halls led by executive directors showcasing Group performance and a business update. • 'Manager Converse' sessions with the NEDs are held during the year to give the NEDs a deeper understanding of the Group and generate interaction with managers beyond the executive. • Monthly Transact newsletters and bi-annual Group CEO email updates are distributed to employees.	• IHP has moved up to 11th place in the FTSE Women Leaders report for FTSE 250 companies, which recognises our diverse workplace. • The Training and Development function was reviewed, with further resource being agreed, to help support the overall HR and training/development strategies for the UK/ Isle of Man offices. • Maternity and paternity pay was enhanced. • A Menopause Support Policy has been approved and we have appointed a staff-volunteered Menopause Champion. • ISL has received London Living Wage accreditation and IAD UK has now applied for it as well. • We are continuing to develop our Diversity and Inclusion Strategy, policy and framework for the Group. • Employee participation in the 2023 employee survey was 60% and feedback indicated satisfaction with communication of company objectives and manager investment in employee wellbeing. Improvements to internal communications was highlighted as an area for development. • All managers were required to complete a mental health training session. • The London office held various initiatives to promote 'Mental Health Awareness Week', including providing healthy breakfasts, offering staff to attend externally facilitated mental health seminars, and a charity raffle collecting donations to support MIND charity.

OUR STAKEHOLDER	HOW WE ENGAGE AND CONSIDER OUR STAKEHOLDERS	OUTCOMES AND HIGHLIGHTS
Regulators	• The IHP CEO provided regular updates at the IHP board and IHP ARC meetings on topics either discussed with, or that are important to, the regulators during the year including Consumer Duty, IT infrastructure, best execution, diversity and inclusion, and non-standard assets. • The boards and ARCs of IFAL and ILUK are regularly briefed on regulatory developments and expectations. • The ILInt board and ARC are regularly briefed on regulatory developments and expectations. • IHP's remuneration committee, whose remit covers the Group, is also regularly informed of relevant regulatory developments and expectations. • The boards of IFAL and ILUK receive updates in relation to specific matters, such as areas of interest to the FCA and PRA including operational resilience; climate change and diversity and inclusion. • The ILInt board receives updates on IoM FSA initiatives. • The ILInt managing director and compliance team maintains contact with the FSA and the IFAL and ILUK's compliance team maintains regular contact with the FCA and the PRA on behalf of IFAL and ILUK, to ensure awareness of their respective concerns, expectations and priorities. • The IFAL and ILUK compliance team actively participates in the UK Platforms Group, which engages with the FCA. ◦ ILInt's managing director sits on the executive committee of the Isle of Man Insurance Association which meets quarterly with the FSA.	• All staff completed a Consumer Duty training module in May 2023. All UK executives and NEDs have received multiple Consumer Duty training sessions in preparation of the Consumer Duty regulation coming into force. • We have interacted proactively with the relevant regulators when planning and executing decisions affecting the boards of the Group and companies within the Group • NEDs participated in, and contributed to, a session on the development of the Group's climate change strategy. • In January 2023, the PRA updated its supervisory priorities for ILUK and other life insurers and the compliance team is keeping these under review. • In February 2023, both ILUK and IFAL (and their peers) received letters from the FCA setting out priorities for implementing the Consumer Duty. The Consumer Duty team undertook a gap analysis and made slight adjustments to the project plan where considered necessary.

OUR STAKEHOLDER	HOW WE ENGAGE AND CONSIDER OUR STAKEHOLDERS	OUTCOMES AND HIGHLIGHTS
Shareholders 	• Institutional shareholder roadshows hosted by the CEO for half-year and year-end results. • Ad hoc meetings with investors after key information updated to the market. • In-person Annual General Meeting at our London headquarters with the Chair and all NEDs in attendance to take questions from shareholders. • Proactive consultation by the Board's Chair, and the Company Secretary with major shareholders on various governance matters, with 17 meetings held during the year. • Board members receive a quarterly Investor Relations report. • CEO and Head of Investor Relations provide updates at each board meeting on investor engagement and market movements. • Ad hoc briefings to the board on shareholder feedback	• Extensive meetings have been held by IHP's CEO with major shareholders to explain the Group's strategy, financial plans, and operational enhancements. • The Chair and Company Secretary met with the governance teams at major institutional investors to share thoughts on a range of topics including ESG, succession planning and remuneration. • We have engaged directly with MSCI ESG rating agency (which provides guidance to institutional shareholders on ESG data compliance) in order to enhance IHP's rating (now increased to BB), and to understand how we can gain a higher score going forward. • Feedback from shareholders has, in part, contributed to the following outcomes: ◦ We have recruited a Group Chief Financial Officer who is expected to take up the role in early 2024; ◦ We are reviewing executive and senior management reward to ensure that their incentives are based upon our four anchors and focused towards sustainable growth of the Group over the long-term; ◦ We have enhanced IHP's website information and disclosures; and ◦ We have compiled (in-house) HY and FY Company consensus reporting to ensure there is more information available for sell-side analysts to use for their estimates for IHP Group performance. • We have enhanced our FY22 and HY23 reporting presentations to analysts and investors given by IHP's CEO and IFAL's CEO, by using an external media company for producing and recording the live presentation. • IHP's CEO and Head of Investor Relations have attended various investor conferences. • We have delivered a programme of IR video meetings with potential investors in the US, UK and rest of Europe.

OUR STAKEHOLDER	HOW WE ENGAGE AND CONSIDER OUR STAKEHOLDERS	OUTCOMES AND HIGHLIGHTS
Suppliers	• We do not seek to disadvantage, or compromise, suppliers with whom we conduct business, in line with one of our core principles of ethical behaviour. • We have refocused our efforts on supplier management as we continue to enhance our due diligence with regard to cyber-security and business resilience. As we evolve our ESG strategy, we will collaborate with our suppliers in order to achieve our ESG goals. • We remain focused on the correct onboarding of all new suppliers ensuring correct due diligence and contract reviews are carried out. This is managed by our dedicated supplier management manager. • Information is shared with management and board committees where appropriate, in order to provide assurance regarding supplier selection and management.	• We endeavour to pay all suppliers within agreed payment terms. • We work with suppliers to ensure no modern slavery or enforced labour exists in the supply chain. We include specific clauses in supplier contracts that their employees must be paid National Minimum Wage. • We undertake health checks on suppliers highlighting areas that need more information or where specific information is missing, giving the business full transparency of all suppliers. • We require annual cyber attestations to be completed by our significant and material suppliers. • We continue to focus on our Business Continuity Plan and developing clear exit strategies for material outsourcing suppliers and significant suppliers.

OUR STAKEHOLDER	HOW WE ENGAGE AND CONSIDER OUR STAKEHOLDERS	OUTCOMES AND HIGHLIGHTS
Communities	• We provide staff with an opportunity to be involved in company-led charity initiatives and consider feedback on charity suggestions when they are submitted to the People Platform. • The DNED for Environmental and Social Sustainability is supporting the board and management in developing the Group's social strategy.	• Annual Christmas initiative: all London and Isle of Man employees given £10 each to donate to one of five selected charities. • Transact sponsored event to raise money for Ukrainian refugees and • Disaster Emergency Committee (DEC): Turkey-Syria Earthquake Appeal, the Company matched employee donations, resulting in £10,596 being donated to the DEC. • Company matched employee donations to MIND Charity during Mental Health Awareness Week.

SECTION 172(1) STATEMENT

Understanding the views and interests of our stakeholders helps the Group make responsible and balanced decisions. In doing so, we aim to generate long-term value for the Company's shareholders whilst contributing to wider society by building strong and lasting relationships with our other key stakeholders. For our key stakeholders, see those listed on page 80.

You can read more about how we engage with and consider the needs of our key stakeholders on pages 81 to 86 of the Governance Report.

Long-term consequences of decisions

IHP Group's strategic objectives are stated on page 16 to 19. The Group's implementation of its strategy and our assessment of forward-looking risks affecting its delivery in the future are set out within the strategic objectives. The directors make strategic decisions on future direction, investment and stakeholder value based on the clear, sustainable, long-term objectives.

By successfully achieving strategic objectives, which result in the ongoing and increased success of the offering, the directors are able to take decisions which share the Group's success with its key stakeholders.

Interests of our employees

We value our people. They are the core of our high-quality service delivery to our clients and advisers, so our employees' well-being is paramount to the business's long-term sustainable success. Details on employee well-being and the culture of the Group are outlined in the Responsible Business section on page 45. In addition, the Directors' Remuneration Report on page 113 sets out the Group's approach to remuneration which is intended to ensure equitable remuneration across the Group and which improves value for employees.

Fostering business relationships

The Group's business model and strategic objectives are set out on pages 16 to 19 and make clear the focus of the business on delivering high-quality service to clients and advisers through investment in infrastructure and employees. An integral part of our service offering is the provision of regular relationship management to clients and advisers as they are our target market.

Fostering good relationships with our suppliers is an important factor in ensuring we can continue to service our clients and advisers effectively. To help embed good supplier management processes, we engage regularly with our suppliers and ensure ongoing relationship management throughout the term of engagement. We also ensure suppliers are paid within payment terms and do not seek to disadvantage or compromise suppliers with whom we do business.

Impact on the community and the environment

The directors recognise that we have both a corporate and ethical responsibility to minimise the impact of the Group's business conduct on the environment and community; this is considered during any principal decision-making processes by the board.

The TCFD section on page 23 and the Responsible Business section on page 45 set out the impact of our operations on the environment and outline our community activities that occurred during the year.

High standards of business conduct

The directors recognise that our service is only as good as the technology and people behind it and that the Group's reputation is built on high standards of business conduct which must be maintained in order for the business to thrive and grow. The board supports the CEO in embedding a culture that encourages employees to act with integrity and to 'do the right thing', in line with the Group's values.

The Group maintains a number of policies governing employee conduct. These are covered in detail in the People section on page 45.

The directors also recognise that as the business is regulated by three separate regulators, as detailed on page 69, maintaining strong, open and productive relationships with the respective regulators is also business critical.

Acting fairly between shareholders

All shareholders are treated equally, with information being made available to all shareholders in a consistent manner. The board, supported by the Chair and CEO, actively engages with the Group's largest shareholders regularly and feedback received is shared with the entire board.

PRINCIPAL DECISIONS AND CONSIDERATIONS OF STAKEHOLDER INTERESTS

The table below summarises how the board and the wider Group have had regard to the duties under Section 172(1) when considering specific matters during the year.

PRINCIPAL DECISION	STAKEHOLDERS IMPACTED	OUR CONSIDERATIONS
Price reductions for the Transact Platform	Clients Advisers Shareholders Regulators	In December 2022, the IHP board considered the impact of price reductions approved by IFAL, ILUK and ILInt for Transact, furthering the simplification of our fee model and increasing transparency and accessibility. As part of this process, the impacts on company profitability and, therefore, shareholder value, were assessed. This decision was in line with the Group's strategic objectives to benefit advisers and clients by reducing cost to client. The simplification is also expected to attract new flows to Transact as the new model promotes the accessibility of financial products to a wider community, which ultimately supports the long-term sustainability of the business. A capital and liquidity risk assessment was undertaken to ensure the Group's regulated entities continue to have sufficient capital to cover their respective solvency risk appetites.
Reframe of workforce compensation and benefits	Employees Communities	In 2022, employees were consulted on their views of their work environment and reward structure. As a result of the feedback received the structure of reward for London- and Isle of Man-based employees was restructured to enable greater flexibility in the variable reward to facilitate recognition of exceptional performance. The Company also responded to feedback on the shape of our family friendly benefits by enhancing maternity, paternity and adoption pay. More information is provided in the people section and the remuneration section of this report.
Appointment of CFO	Clients Advisers Shareholders Employees Regulators	During FY22, the board determined that the Group would benefit from the addition of a CFO. The appointment will facilitate the greater diversity of thought at executive level and at the board and will reinforce the skills amongst the management team, providing additional and valuable support to the CEO. This move was partially in response to feedback from stakeholders and the reception of the decision from the relevant groups has been positive.

THE ROLE OF THE BOARD AND ITS RESPONSIBILITIES

The role of the board

The board recognises the importance of a clear division of responsibilities between executive and non-executive roles and, in particular, a clear delineation of the Chair's responsibility to run the board and the CEO's responsibility for running the Group's business. The roles of Chair, CEO and Senior Independent Director (SID) are clearly defined and have been approved by the board. The allocation and division of responsibilities is available on our website here: ***https://www.integrafin.co.uk/corporate-governance/***.

Matters reserved for the board

The board is the main decision making and review body for the Company. It determines the overall strategic direction of the Company and is responsible for the overall management of the Company and the business operations for its subsidiaries.

The board's remit is documented in its terms of reference which include details of matters reserved for the board and matters delegated by the board. The terms of reference are reviewed and updated annually. Matters which are reserved for the board include strategy and management, structure and capital, financial reporting and controls, internal controls, material contracts, communication, board membership and appointments, remuneration and corporate governance matters. The board determines which matters are delegated to committees of the board and the management team.

Key board activities during the year

Business performance and strategy

- Consider current and future business initiatives
- Discuss Group strategy including review of business plans and pricing strategy
- Monitor Group performance against strategy
- Review Transact, T4A and wider industry market performance updates
- Review quarterly investor relations updates including analyses of Company share price performance
- Receive updates on and discuss IT infrastructure and systems and IT strategy

Finance and reporting

- Review quarterly and half-year results
- Monitor performance and capital position
- Approve annual report and financial statements
- Approve two interim dividends
- Review HMRC VAT decision and approve subsequent action
- Review Group tax strategy
- Review and monitor business plans and projections, including ongoing review of business performance and comparison to market consensus on business performance

Risk management controls

- Review quarterly risk reports
- Approve Group's Risk Appetite Framework and Risk Management Policy
- Receive cyber security and Consumer Duty training

Sustainability and stakeholder engagement

- Deep dive sessions on environmental, social and employee engagement strategies
- Review Board Diversity Policy
- Receive HR updates including monitoring culture and employee survey feedback
- Review shareholder feedback from engagement sessions with Chair, SID, Remuneration Committee Chair and Company Secretary

Governance

- Review board evaluation results and progress of prior year's evaluation actions
- Review board and management succession plans
- Receive board committee updates
- Approve AGM documentation
- Approve Modern Slavery Statement
- Review and approve changes to various Group policies

Independence and time commitment

All of the NEDs are considered to be independent and the Chair was considered to be independent on being appointed to the role. There are a number of ways in which the independence of NEDs is safeguarded and in which their time commitments are considered:

- Meetings between the Chair and NEDs without management present occur regularly;
- The SID meets at least annually with each NED to discuss feedback on the Chair's performance;
- NEDs' tenure on the board is reviewed annually by the Nomination Committee (NomCo) as part of board succession planning;
- Any external commitments must be disclosed to the board as and when they arise for consideration and approval before accepting; and
- When making new director appointments, the board takes into account other demands on directors' time.

The board has reviewed the other commitments of the NEDs and concluded it is satisfied that each NED remains able to commit sufficient time to dedicate to their role as a director.

Conflicts of interest

The Company's Articles of Association permit the board to consider and authorise situations where a director has an actual, or potential, conflict of interest in relation to the Group. The Company maintains a conflicts of interest register, which is reviewed annually by the NomCo and the board.

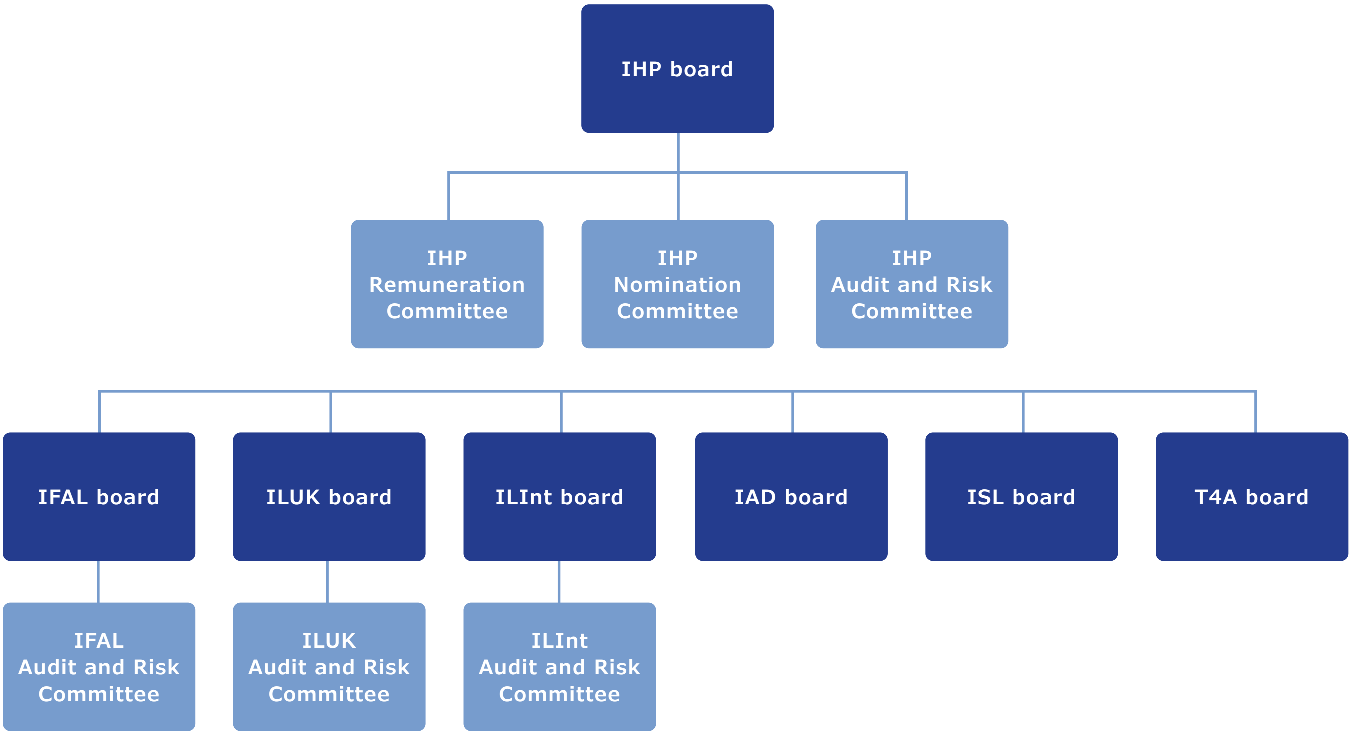
In addition, prior to each board meeting, the directors are asked to declare any conflicts they may have with regard to the business meeting. Directors who declare a conflict of interest may be authorised by the rest of the board to participate in decision making in accordance with section 175 of the Companies Act 2006.

The board considers and, if appropriate, authorises any conflicts or potential conflicts of interests of directors and imposes any limitations, qualifications or restrictions as required or as recommended by the NomCo.

Subsidiary governance

The Group's regulated principal operating subsidiaries carry out their business of providing investment and life insurance activities. Each of the boards of Integrated Financial Arrangements Ltd (IFAL), IntegraLife UK Limited (ILUK), and IntegraLife International Limited (ILInt) is comprised of a mix of executive and NEDs in line with UK (IFAL and ILUK) and Isle of Man (ILInt) regulatory requirements. In each case the membership of the board is made up of a mix of skills and experience relevant to the board, resulting in membership composed of both members with cross directorships within the Group, and members who are independent of any other Group appointment. We believe that this delivers the optimum governance to each entity.

The board and committee governance framework of the main regulated operating subsidiaries is outlined below:



Each operating subsidiary Audit and Risk Committee (ARC) is responsible for overseeing the internal controls and risk management systems for their respective subsidiary and reporting assurances up to the IHP ARC annually that these systems remain effective.

More details of how the board fulfilled its s.172(1) duties in relation to this decision is noted in the "Principal Decisions" section on page 89. Further information on how the Nomination Committee has been involved in subsidiary board composition and succession planning under the new structure is outlined on page 109.

COMPOSITION, SUCCESSION AND EVALUATION

Board composition

The Company has three executive directors and six independent NEDs (including the Chair).

The Company has recently announced the selection of a CFO who will join the executive team bringing the composition of the board to four executive directors and six NEDs. The board will still meet the Code requirement that at least fifty per-cent of the board (excluding the Chair) is comprised of independent NEDs.

Committees

There are three committees of the board: Audit and Risk, Nomination, and Remuneration. The ARC and the Remuneration Committee (RemCo) are wholly non-executive committees and the members are all independent NEDs. The Chair of the board is a member of, and Chairs, the NomCo. The other members of the NomCo comprise the SID), the CEO and two other independent NEDs, meaning the committee has a majority of independent directors.

The membership and terms of reference of these board committees are reviewed annually. The terms of reference for each committee is available on the Company's website ***https://www.integrafin.co.uk/corporate-governance/***.

Board and committee meetings and attendance

	BOARD MEETINGS		AUDIT AND RISK COMMITTEE		NOMINATION COMMITTEE		REMUNERATION COMMITTEE	
	ELIGIBLE	ATTENDED	ELIGIBLE	ATTENDED	ELIGIBLE	ATTENDED	ELIGIBLE	ATTENDED
Caroline Banszky	5	5	6	6	-	-	-	-
Victoria Cochrane	5	5	6	6	9	8	-	-
Richard Cranfield	5	5	-	-	9	9	10	10
Michael Howard	5	5	-	-	-	-	-	-
Robert Lister	5	5	6	6	5	4	10	10
Christopher Munro	5	5	-	-	9	8	10	10
Alexander Scott	5	5	-	-	9	9	-	-
Jonathan Gunby	5	5	-	-	-	-	-	-
Rita Dhut	5	5	3	3	-	-	8	8

Note: the Nomination Committee meeting missed by three NEDs was to shortlist candidates for subsidiary boards for interview. The absences were due to the short notice of the meeting; all NEDs had reviewed and commented on the list of candidates beforehand.

Board succession

During FY22, the board agreed that the appointment of a CFO would enhance the board, as well as providing additional and valuable support to the CEO.

The NomCo appointed an independent search firm to commence the selection process, as a result of which the Company has announced that Euan Marshall will be appointed to the role. A further announcement has been made giving details of Euan's commencement date in January.

Christopher Munro has indicated his intention to step down from the board in FY24. The board will continue to assess the composition of the board and its ongoing suitability throughout the year.

Directors’ induction

A tailored induction programme is prepared for each new director, based on their individual needs. The programme comprises the following areas:

- Information and materials: a comprehensive library of materials is provided electronically, including prior board and committee papers and minutes, information on Company values and culture, strategy materials, regulatory information, and statutory and governance documentation and policies.

- Scheduled meetings: individual meetings are arranged with key stakeholders and employees to explore in more detail significant aspects of the business and to assist with relationship building between the director and management.

During the financial year, no new directors joined the IHP Board.

Directors’ development and training

Each board member is responsible for identifying training appropriate to their needs, and the NEDs maintain individual annual training logs. The Chair and Company Secretary ensure continuing training and development for all directors based on individual requirements.

The board carries out periodic ‘deep dives’ into specific areas of the business in order to broaden the board’s understanding of the Group’s business and the opportunities and challenges it faces. During the financial year, training and deep dive sessions were facilitated for the directors, covering the following topics:

- market abuse and disclosure obligations
- employee engagement strategy and monitoring culture
- investor sentiment and market reaction
- external market and macro-economic factors
- Consumer Duty including FCA’s approach to supervision and firm evaluation model

In addition, open Q&A sessions between the directors and management are held periodically to facilitate engagement with the layer below the board.

Election and re-election of directors

The Company’s Articles of Association require all existing directors to retire from office at each AGM and be eligible for re-election.

Board effectiveness review

In line with best practice and the requirements of the Code, the board and its committees undertake an external evaluation every three years. With the assistance of Independent Audit Ltd, the Company undertook an external evaluation in FY23.

Independent Audit Ltd were selected to support this year's review as having undertaken the first external evaluation in FY20, it was felt that the most value would be gained by understanding how the board had developed in the intervening years.

FY22 board evaluation – progress update

AREA OF ASSESSMENT	AGREED ACTION	PROGRESS
Designated strategy session	The board would reinstate, post-COVID, an annual deep dive strategy session to allow for more time to discuss longer-term strategy and performance horizon scanning.	The board discussed strategic opportunities throughout the year and deep dive sessions were reinstated immediately after year end.
Stakeholder engagement and ESG	The board has improved its oversight of stakeholder engagement in 2022, in particular that of employees. The board will continue to increase its understanding of the Group's stakeholder engagement and ESG strategies.	ESG is now a standing agenda item, with quarterly updates to the board.
Information flows between parent and subsidiaries	With the recent governance restructure, continue to improve the framework of information flow between the operating and other subsidiaries and the parent company.	Refinement of reporting between subsidiary and parent ARCs has been established and improvement of information flow is a continuous focus of the boards.

FY23 board evaluation

Independent Audit Ltd presented their report to the Chair and subsequently to the board in September 2023.

The areas identified for the board to focus on in FY23 and beyond are summarised below:

AREA OF ASSESSMENT	AGREED ACTION
Improved communication to and from subsidiary boards, as well as within the IHP board	IHP board members, subsidiary chairs and committee chairs commit to prioritising improvements to the subsidiary reporting up to the board. There will also be a renewed focus on improving communications outside of formal board meetings
Improved timeliness of board papers	Too many board papers are arriving after the cut off for submission, thereby reducing directors' ability to properly review. Writers and reviewers therefore commit to more regimented scheduling when drafting papers.
Improved conciseness of papers to the board	Papers are to be shortened and will all include executive summaries. The size of board packs will be reduced to encourage the distillation of key information.

Chair evaluation

The SID led the performance evaluation of the Chair by meeting separately with each of the executive and NEDs, and the Head of Legal and Company Secretary. The SID then met with the Chair to discuss the directors' feedback and agree actions for 2024 and beyond.

AUDIT AND RISK COMMITTEE REPORT

Statement from the Chair

I am pleased to present the Audit and Risk Committee's report for the year ended 30 September 2023. The report provides insight into our work undertaken this year.

I would like to welcome Rita Dhut to the committee following her appointment in March and to thank all members for their work throughout the year.

The ARC has continued to consider the potential impact of the BEIS consultation on Corporate and Audit Reform, and the emerging statements and consultation from the FRC. Management continue to closely monitor developments and report to the committee on the impact of the proposed changes on the committee's activities.

The committee continues to scrutinise management reporting on internal controls, financial reporting and risk management. During FY23 the committee commenced its oversight of the delivery of the Group's agreed objectives. This work is still in its infancy as we develop our strategy. For the environmental aspects of this strategy, we have engaged the support of Brite Green, sustainability consultants to enhance our disclosures. In addition, the committee reviewed the Company's development of the IT general controls and the enhancement of the Group's IT security framework.

I will be available to answer any questions at the AGM. Further details will be set out in the Notice of AGM.

Further information on the activities of the Audit and Risk Committee is provided below.

In FY24, the committee will continue to challenge management's assessment of and controls around the principal risks facing the business, both internally and externally. The committee will continue to focus on the delivery of the ESG objectives, the identification of the Group's principal internal and external risks and the development of the Group's risk management framework, including with respect to IT controls, continuously assessing whether the Group remains within the risk appetite and to ensure that the Group is resilient to the ever changing economic and social environment within which we operate. We also look forward to welcoming Euan in the role of CFO and working with him to deliver high quality financial reporting for the Group.

Caroline Banszky
Chair, Audit and Risk Committee

13 December 2023

Membership and attendance

The members of the committee as at 30 September 2023 were:

MEMBER	DATE OF APPOINTMENT
Caroline Banszky (Chair)	22 August 2018
Victoria Cochrane	28 September 2018
Robert Lister	4 September 2019
Rita Dhut	16 March 2023

The committee meets at least four times each year and may meet at other times, as requested by the Chair. The committee met six times during this financial year. The committee's attendance is outlined on page 94.

All committee members are independent NEDs, as required by the Code, with the ARC Chair being a qualified accountant. The board is satisfied that the committee as a whole has an effective balance of skills and experience to perform its responsibilities. Details of each member's skills, education and experience are outlined in the Directors' Biographies on pages 76 to 79.

In FY23, Rita Dhut was appointed to the committee. The committee membership is kept under review by the Chair of the committee, in collaboration with the NomCo.

All committee members are provided with initial and ongoing training to support them in carrying out their duties effectively. During the year, the committee received training on the external platform market and the competitive environment; directors' s172 duties, market abuse and disclosure obligations; and Consumer Duty.

Regular attendees at committee meetings include the board's Chair, IHP CEO, the IFAL CEO, Group Chief Financial Controller, Chief Actuarial Officer, CRO, Group General Counsel, Group Head of Internal Audit, Company Secretary and the Group's external auditor.

Other NEDs are invited to attend meetings.

The committee Chair meets privately with the Group Chief Financial Controller, Head of Internal Audit, Chief Actuarial Officer, CRO, external Audit Partner and Independent Quality Assurance Partner at EY to discuss issued reports and relevant financial and risk reporting and regulatory developments.

Role of the Committee

The primary role of the committee is to ensure the integrity of the financial and non-financial reporting and auditing processes and monitor the effectiveness of the Group's internal control and risk management systems to ensure there are continuing, appropriate levels of external and internal audit and risk assessment to cover all material risks (including fraud) and controls, including financial, operational and compliance processes and procedures and non-financial reporting, including in particular, assurance over the Company's reporting under TCFD requirements.

The committee is also responsible for oversight of the Group's relationship with the external auditor. This includes making recommendations to the board in relation to the (re)appointment of the external auditor, approving its scope of work, fees and terms of engagement, as well as regularly reviewing its independence, objectivity and effectiveness.

The detailed responsibilities of the committee are set out in its terms of reference which can be found at ***https://www.integrafin.co.uk/corporate-governance***.

Details of the work of the committee in discharging its responsibilities during the financial year are outlined further below.

Key committee activities through the year

AREA OF CONSIDERATION	COMMITTEE REVIEW AND CONCLUSION
Financial reporting	During the financial year, the committee: • Reviewed and challenged the financial reporting undertaken by the Group, with input and support from the Group's external auditor; • Reviewed and considered the disclosures in the entire Annual report and financial statements, recommended to the board the published Annual report and financial statements and Half-year report and concluded that the reports were fair, balanced and understandable; • Considered the consistency of accounting policies, the financial reporting process and the disclosure of key accounting and financial risks. Further information on the key financial and non-financial risks can be found on page 63; and • Reviewed the External Auditor report. The report confirmed that the External Auditor identified the requirement to disclose a related party transaction under IAS24.
Accounting judgements and estimates	The committee assessed and challenged the appropriateness of the judgements and estimates applied by management in the preparation of the Annual report. This included consideration of the following: • ILUK tax provisions • Goodwill • T4A post combination remuneration These areas have been discussed with the external auditor to satisfy them that the Group makes appropriate judgements and provides the required level of disclosure. Following consideration of the above, the committee concluded that the accounting treatment of the ILUK tax provisions should be classified as a significant judgement and there are no items that should be classified as critical accounting estimates in the Annual report and financial statements.

Group wide financial crime controls	• Reviewed the progress made on the implementation of the recommendations made by the Legal team to expand the Financial Crime team's remit to T4A and IAD and to add and enhance the wider Group controls.
Whistleblowing Champions assurance re whistleblowing arrangements	• Reviewed the Whistleblowing policy and the Whistleblowing framework for reporting and confirmed that each are appropriate to the Group structure and organisation. • Jeremy Brettell, as a member of the IFAL Audit & Risk Committee, is a key contact in the Whistleblowing Policy and fulfils the role of "whistleblower's champion" under the Senior Managers' Regime whilst Caroline as Chair of the Audit and Risk Committee has oversight of Whistleblowing for the Group.
The induction and transition of responsibilities to the incoming Chief Financial Officer	• The Chair worked with the CEO and NomCo during the selection process of the preferred candidate. • Following recommendation made by management and the NomCo, the Chair of the committee reviewed the credentials and experience of the incoming CFO and endorsed the appointment. The same process applied to the selection of the CRO, whose appointment was reviewed by the NomCo.
TCFD reporting	• The Company has published climate-related reporting in its Annual report and financial statements based on the TCFD's recommendations. Details on this disclosure can be found on page 23. • In preparing the Annual report and financial statements, the committee was provided with information on the methodology used by management for collecting climate-related data for publication in the Annual report and financial statements. • The committee was made aware of the restatement of the FY22 emissions data. The committee concluded that the impact of climate-related matters does not have a material effect on the Group's financial statements.
Committee evaluation	• The committee underwent an external evaluation provided by Independent Audit Ltd. We continued to improve the performance of the committee.

Going concern and viability

The directors are required to make a statement in the Annual report on IHP's long-term viability. The committee provided the board with advice on the form and content of that statement. In advance of the year end, the committee reviewed the Group's proposed stress test scenarios and the assumptions underlying them, used to support the Viability statement.

At the year-end, management provided a report to the committee setting out its view of IHP's long-term viability and the proposed Viability statement, based on the Group's three-year business plan. This report included, at both an individual Company and consolidated Group level, forecast outcomes of the business plan under the stress scenarios agreed with the committee, detailing capital and liquidity performance against an assessment of risk appetite. The report was produced on financial data to 30 September 2023 and included consideration of various scenarios as set out on page 70, both individually and combined.

The committee discussed whether the choice of a three-year period remained appropriate. It concluded that this remained appropriate due to the nature of the business. Taking account of the assessment of the Group's stress testing results, the committee agreed to recommend the Viability statement and three-year viability period to the board for approval.

The committee concluded that the Group has sufficient financial resources and liquidity and is well-placed to manage business risks in the current economic environment, having considered the potential impacts of various risks, and can continue operations for the foreseeable future. The committee has therefore concluded that the going concern basis is appropriate.

Fair, balanced and understandable assessment

The committee also undertakes a wider review of the content of the Annual report and Financial Statements to advise the board as to whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy. This supports the board in providing the confirmations set out on page 151 of the Statement of Directors' Responsibilities.

In considering the wider content of the Annual report and financial statements, the committee pays particular attention to ensuring the narrative sections provide context for, and are consistent with, the financial statements, and that an appropriate balance is struck between the articulation of successes, opportunities, challenges and risks.

The committee concluded that, taken as a whole, the interim and annual reports were fair, balanced and understandable and provided the information necessary for shareholders, and other stakeholders, to assess the Group's position and performance, business model and strategy.

Risk management

The committee oversees risk and control matters at a Group level, with matters which are regulated entity-specific overseen by the three regulated subsidiary ARCs. Consistency is achieved through the application, across all entities, of the Group Risk Management Policy and Framework.

Each subsidiary ARC has terms of reference outlining their responsibilities and the committee receives updates at each meeting on key areas for escalation from each committee Chair including Consumer Duty, service risk, and non-standard assets.

During the financial year, the committee:

- oversaw the risk appetite statements and risk management framework and reviewed its effectiveness in relation to IHP, and how Group companies have implemented the framework;
- reviewed Group Risk Management's development of T4A's and IAD's risk profiles;
- reviewed the regular quarterly risk reports presented by Group Risk Management to ensure the business continues to operate effectively with the appropriate risk profile under the hybrid working model;
- reviewed and challenged the Risk Reports presented by Group Risk Management, and considered the progress of management action taken in order to address management points raised on IHP specific risks;
- considered the climate-related risks and opportunities facing the Group and how the regulated entities have assessed the impact;
- reviewed and assessed the Group's principal risks, uncertainties and emerging risks and updated them as appropriate;
- assurance was sought from the Chairs of the IFAL, ILUK and ILInt ARCs that management points raised have been addressed through appropriate management actions;
- assisted the board in maintaining an appropriate culture within the Group, which emphasises and demonstrates the benefits of the risk-based management of the Group; and
- considered the points escalated from the Group Company boards or committees which affect IHP, or the Group as a whole.

More details on the Group's risk management processes are outlined on page 60.

Internal controls

The committee provides assurance to the board on the effectiveness of the Group's system of internal controls. A key aspect of this is the review of all material/ key controls, including reporting, operational and compliance controls, that identify, assess, manage and monitor top risks, which are an important aspect of ensuring the integrity of the Group's financial statements as a whole.

The Group's internal controls comprise elements that together provide an effective and efficient framework, enabling the Group to prepare for, and if necessary, respond, to a variety of operational, financial and commercial risks.

During the financial year, the committee:

- received reports from management on the effectiveness of internal controls including over critical IT and information security risks and financial crime risks encompassing the detection and prevention of fraud, bribery and corruption, money laundering and market abuse;
- reviewed annual control self-attestations received from senior management;
- received quarterly reports from the Group risk management function on the risk management framework which monitors top risks against risk appetite and target risk scores;
- received regular reports from the Group Internal Audit function on the sufficiency and effectiveness of the internal controls in those areas of the business included in the Group Internal Audit Plan for the period. Actions identified through internal audits are regularly monitored and challenged throughout the process until the required action has been achieved; and
- reviewed the Group Head of Internal Audit's annual assessment of the Group's internal control framework that included thematic internal control observations and risk and control culture enhancements.

Over the course of the year, management made significant progress to enhance the design and operating effectiveness of IT General Controls to address improvement areas as highlighted by the external auditors in the prior year financial statements. At the end of FY23, the external auditors concluded, to the extent controls could be assessed at that time, that the design of IT General Controls appears to be designed effectively. The operation of these controls will continue to be assessed in FY24.

The committee also continued to discuss with management the preparation needed to comply with those provisions of the proposed UK Corporate Code changes published in May 2023 that will remain when the updated Code is published in January 2024. which, if approved in the current form, will apply to the Company from 1 October 2025. This includes setting out a revised framework of prudent and effective controls to provide a stronger basis for reporting on and evidencing their effectiveness.

Internal audit

The Group Internal Audit department is focused on the delivery of high-quality internal audit services to the Group.

Its mission is to protect and enhance the value, reputation and sustainability of the Group, and to help the Board and executive management of the Group to meet its strategic objectives centred on making financial planning and investment easier for UK financial advisers and their clients.

To do this, the Group Internal Audit department performs independent, objective assurance and advisory services designed to add value and enhance risk management, governance and internal controls. The committee monitors the scope, activity and resource of the Group Internal Audit department formally on a quarterly basis, and regularly meets with the Group Head of Internal Audit without executive management present.

During the financial year, the committee:

- approved the Group Internal Audit Charter setting out the Group Internal Audit departments purpose, authority, scope and responsibility;
- approved the rolling 12-month Group Internal Audit Plan, including proposed changes to the plan each quarter to ensure alignment with the Group's key risks. In setting the plan, Group Internal Audit consider the business strategy, regulatory priorities and its independent view of current, emerging and systematic risks;
- received and reviewed Group Internal Audit reports at committee meetings including detailed review of any recommendations made to management, management's

- response, and views over risk and control culture and consumer outcomes;
- monitored the status of any open management action plans including receiving updates from the Chair of the IFAL, ILUK and ILInt ARCs on the management actions in response to the findings and recommendations of internal audit reports pertaining to those entities;
- challenged management on action delivery;
- reviewed all Group Internal Audit reporting escalated by either the IFAL, ILUK, or ILInt ARCs, or activities within other companies in the Group, which represent a significant risk to the Group as a whole;
- noted the conclusion of the annual Internal Audit report that there were no significant deficiencies that would need to be disclosed in the Annual report;
- received reports on matters relevant to the financial reporting processes including assurances on internal controls, processes and fraud risk; and
- assessed the effectiveness and independence of the Group Internal Audit function.

Delivery of internal audit plan

There were several internal audit engagements completed during FY23, in line with the approved Group Internal Audit Plan. The results of these internal audit engagements were reported and discussed and follow up actions were reviewed or requested where necessary. The internal audit engagements included, but were not limited to, the following:

- client assets and client money compliance;
- financial projections model;
- Consumer Duty implementation;
- platforms IT infrastructure;
- user access management and monitoring;
- TCFD reporting;
- operational resilience requirements;
- Internal Capital and Risk Assessment (ICARA);
- complaints handling; and
- asset onboarding.

The Group Internal Audit function also completed its annual assessment of the Group's risk management and key internal controls relating to the Group's major business processes and top risks that included an evaluation of the Group's annual fraud risk assessment.

Furthermore, using external IT security testing experts, penetration testing was completed across the Group's sites and IT environments including T4A and IAD.

Effectiveness and independence of Group internal audit function

During the financial year, the committee performed its annual assessment on the independence and effectiveness of the Group Internal Audit function. Based on the scale and focus of the work conducted by Group Internal Audit during the year and considering the results of Group Internal Audit's report in respect to its effectiveness and independence completed during the year, the committee concluded that the Group Internal Audit function is working effectively and independently in line with relevant professional standards and that the team is appropriately qualified and staffed.

A private session also took place between each of the four ARCs (see structure on page 93) and the Group Head of Internal Audit. The subsidiary sessions took place in August 2023 and the IHP ARC session took place in September 2023.

External auditor

Tenure

The last tender for the external auditor was conducted in 2021, when EY was appointed as the Group's External Auditor. EY's re-appointment was ratified by shareholders at the 2023 AGM. Michael Gaylor has been the lead audit partner for two years.

Scope of the external audit plan and fee proposal

During the financial year, the committee:

- reviewed EY's overall work plan;
- advised EY, through regular communication, of any specific matters which the committee was considering from previous audits and current operations;
- approved EY's remuneration and terms of engagement, taking into consideration feedback from the three operating subsidiary ARCs;
- assessed EY's independence and objectivity;
- reviewed and approved external auditor fees;
- approved revisions to the External Auditors Policy in relation to the provision of non-audit services and hiring of ex-employees;
- considered quarterly reporting on non-audit services and audit-related non-audit services provided by EY; and
- assessed the effectiveness of the external audit.

External auditor independence and non-audit services

In order to safeguard the independence and objectivity of the external auditor, the ARC is responsible for the development, implementation and monitoring of the Group's policy on the provision of non-audit services and oversight of the hiring of personnel from the external auditor, should this occur. The committee must pre-approve any non-audit services, in line with the requirements of the FRC's Revised Ethical Standard 2019. The committee received a report at each meeting analysing fees paid for any non-audit work by the external auditors. EY did not perform any non-audit services during the 2023 financial year. EY did provide Other Assurance Services, in line with the Revised Ethical Standard 2019. These services were required by regulation and are further disclosed under Note 8.

Full details of EY's remuneration are set out in Note 8 of the Financial Statements.

Effectiveness of external audit process

The ARC is responsible for assessing the qualifications, expertise and resources of the external auditor and for reviewing the effectiveness of the external audit process. As part of this process, the views from executive management, including leadership at ISL, IAD and T4A, ARC members, and the Chairs of the three subsidiary ARCs are sought on the following:

- the efficiency of the year-end process;
- the quality of the audit partner and team;
- the planning and execution of the audit;
- quality of audit reporting and delivery;
- extent and nature of challenge demonstrated by EY in its work and interaction with management; and
- EY's independence and objectivity.

The committee also reviews the FRC's annual Audit Quality Inspection and Supervision Report of EY and receives a report from EY on its own internal quality control procedures.

The responses indicated that, overall, EY was performing in line with expectations and has demonstrated challenge and professional scepticism in performing its role. The ARC concluded that the external audit process was effective, and the committee remains satisfied that EY continues to display the necessary attributes of independence and objectivity. Accordingly, the committee has recommended to the board a proposal for the reappointment of EY as external auditor at the next AGM.

Committee self-evaluation

The following provides an update on progress against those areas agreed as priority areas of focus for the committee in 2023:

AREA OF FOCUS	PROGRESS
Schedule a risk identification deep dive session. The induction and transition of responsibilities to the incoming Group CFO.	The CFO will join the Group in FY24. This action will therefore carry forward into the new financial year.
Monitor developments in relation to the BEIS corporate governance and audit reform and ESG reporting.	Management continue their analysis of the changes and reported to the committee throughout the year.

The following areas were agreed as priority areas of focus for the committee in 2024:

- Schedule a risk identification deep dive session
- The induction and transition of responsibilities to the incoming Group CFO

Monitor developments in relation to the BEIS corporate governance and audit reform and ESG reporting.

NOMINATION COMMITTEE REPORT

Statement from the Chair of the Nomination Committee

I am pleased to present the Nomination Committee's report for 2023.

We welcomed Robert Lister to the committee in March and I would like to extend my thanks to all members for their work throughout the year.

Membership and attendance

The members of the Nomination Committee at 30 September 2023 were:

MEMBER	DATE OF APPOINTMENT
Richard Cranfield (Chair)	1 August 2019
Victoria Cochrane	28 September 2018
Robert Lister	16 March 2023
Christopher Munro	2 February 2018
Alexander Scott	2 March 2020

The committee meets at least once each year and may meet at other times as requested by the Chair. The committee met nine times during the financial year, due to the committee's wider remit of oversight of subsidiary board succession planning and increased senior management succession planning.
The committee's attendance is outlined on page 94.

Composition

In adherence with the Code, the majority of members of the NomCo are independent NEDs. The Chair of the board chairs the committee. However, he is not permitted to chair when the committee is dealing with nominating a successor to the Chair.

The CEO is a member of the committee, as permitted by the Code. We note that some proxy advisory companies advise a vote against the Chair of the Committee at AGM in circumstances where the CEO is a member of the Committee. However, we believe that the CEO contributes valuable insight into the composition of the management team, interaction of the board with management and cultural fit of candidates to the board and senior management team and that his membership of the committee does not affect the independent decision making by the committee. The CEO recuses himself from any discussion or recommendation about him.

During the year, the Company reviewed advice from the Company Secretary regarding feedback from the proxy advisers in advance of the AGM on the composition of the committee. The feedback did not indicate any significant concerns with the composition however it is clear that for some investors the balance of independent non-executives did not align with their expectations. As a result, and upon considering the mix of skills and experience of the members, the board appointed Robert Lister to the committee.

Training

The Group provides initial and ongoing training for committee members, to support them in carrying out their duties effectively. This is delivered through in-house technical employees, through the attendance at formal conferences as required, and an in-house training programme.

Role of the committee

The primary purpose of the committee is to develop and maintain a formal, rigorous and transparent procedure, and to lead the process for, board and committee appointments and reappointments, including making recommendations to the board. To achieve a balanced board, the committee considers the board's size and composition, the extent to which skills, experience and attributes are represented and the need to maintain high standards of corporate governance.

The role and responsibilities of the NomCo are set out in its terms of reference which can be found at ***www.integrafin.co.uk/corporate-governance***.

Key committee activities through the year

AREA OF FOCUS	WORK CONDUCTED
Board composition and succession planning	• Considered the skills, tenure and independence of the NEDs and made recommendations to the board for reappointment. • Reviewed the composition of the IHP board including reviewing the mix of skills, experience and expertise, identifying any gaps and ensuring diversity, including of thought and ideas.
Management succession planning	• Reviewed the emergency and long-term management succession plans. • Interviewed a short-list of candidates and recommended to the board a candidate for CFO.
Operating Subsidiaries board succession planning	• Discussed succession plans for the IFAL board Chair. • Reviewed board and committee member composition. • Supported the selection of NEDs to the IFAL and ILUK boards on rotation of incumbents who had reached the end of their tenure.
Diversity and Inclusion	• The committee discussed the Group's diversity and inclusion strategy. • The committee reviewed proposals from the Head of HR with regard to the collection and reporting of diversity data within the Group. • The committee reviewed the board's Diversity Policy. • Board composition in relation to tenure, skills and diversity at operating subsidiary level was also reviewed.
Committee evaluation	• The committee did not conduct a self-assessment of the effectiveness of the committee, the individual members and the committee Chair in FY23 as the board and its committees were part of the wider external board evaluation process.

Succession planning

IHP board succession planning

The IHP board composition remained stable during FY23. There were no resignations or appointments made during the year.

The committee reviewed the size, composition and skill set of the board and its committees. The committee considered the composition of the board in the context of Christopher Munro's indicated intention to step down from the board in FY24 and of the selection of Euan Marshall as CFO and his additional skills and experience.

The committee also considered the skills and tenure of the NEDs. We continue to keep in mind the profile of our board members and formulate our succession planning accordingly.

Subsidiary board and committee succession planning

During the financial year, the committee assisted the regulated operating subsidiaries. IFAL and ILUK both required support with the process of appointing new NEDs as existing board members reached the end of their tenure. In the Spring, we supported the process of recruiting a new NED, Mary Gavigan, as a member of the ILUK board and Chair of the IFAL ARC upon the retirement of Neil Holden. Jeremy Brettell replaced Neil Holden as Chair of ILUK. In the summer months, a further search was undertaken for two new non-executives in anticipation of the retirement of Jeremy Brettell. We were pleased to be able to assist with the search for a new Chair of the ILUK ARC and a new NED of the IFAL board.

Senior management succession planning

Senior management succession planning continues to be a key focus of shareholders and the committee. With the appointment of the CRO, CTO and the upcoming appointment of the CFO, the committee is satisfied that the management succession plan is strengthened but maintains oversight of developments to ensure a resilient pipeline which will support the future success of the business.

Diversity and inclusion

Inclusivity throughout the business is important to us and we continue to focus on this by developing our diverse talent pipeline. The board supports the Hampton-Alexander Review on gender diversity and the Parker Review on ethnic diversity. I am pleased to say that we have 33% representation of women on our board (FY22: 33%) and 57% female representation in roles which we define internally as our senior management equivalent (FY22: 67%). In addition, one member on our board is ethnically diverse (FY22: one) and our SID is female.

We recognise that developing diverse talent at the executive, senior management and direct report levels is important and this is being considered in the Group's ongoing leadership succession plans.

Board diversity policy

The board has a Diversity Policy which is reviewed and assessed annually.

New appointments to any Group or subsidiary board are made on merit, taking into account the different skills, industry experience, independence, knowledge and background required to achieve a balanced and effective board. When identifying suitable candidates for appointment to any Group board, we consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the board.

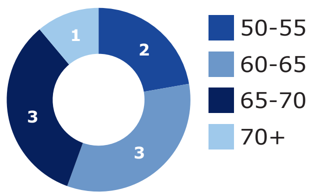
Equal opportunities policy

The Group has an Equal Opportunities Policy which applies to all employees. We are proud to have a culture of developing our workforce to provide opportunities for promotion within the organisation, alongside recruiting external talent to enhance diversity of thought. Internal opportunities not only include traditional vertical promotions, but in many cases opportunities to move to different departments within the Group and learn new skills or undertake professional development. This approach ensures that we develop a pool of talented individuals who may have the potential for succession into senior roles. We support employees by providing relevant training, assistance and resources to help them succeed in their new roles. In the last year, 72 employees accepted internal job opportunities (FY22: 118). In contrast, 112 job opportunities were filled by employees hired externally (FY22: 132).

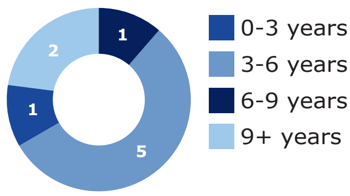
Composition of the board

The board's membership comprises a mix of long-standing and more recent appointments who collectively deliver a balance of historical knowledge and industry experience.

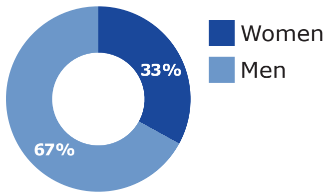
Age profile of the board (number of directors)



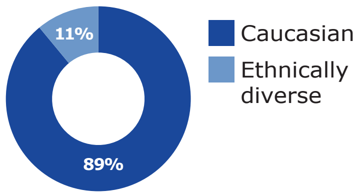
Tenure of board (number of directors)



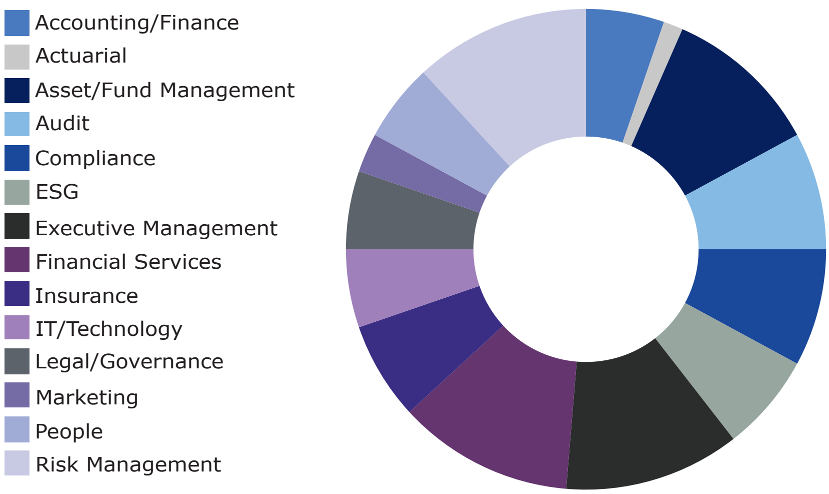
Board gender split (%)



Ethnic diversity of the board (%)



Board skills matrix disclosure (number of directors)



Renewal of existing NED appointments

The committee reviewed the profile of board tenure of our NEDs in light of its future needs. As part of this, it considered the renewal of Christopher Munro's term as a NED, his second three-year term of which was due to expire in FY23. The committee agreed, taking account of the current cycle of board development and succession and Christopher's knowledge of and contribution to the business, to recommend to the board for approval the renewal of his appointment for a further three-year term, subject to annual re-election by shareholders which was approved at the AGM. This decision was taken in the February AGM.

Board effectiveness

An external board evaluation effectiveness review was conducted during the year. The review was conducted by Independent Audit Ltd who conducted our first review in 2020. The board considered that using the same firm would provide insight into how the board had developed in the intervening three years. Full details are set out on page 95 above.

Victoria Cochrane, our SID, also met with the directors to appraise my own performance, and Victoria and I have discussed the feedback received.

Committee self-evaluation

The NomCo conducted a self-assessment of the effectiveness of the committee, the individual members and the committee Chair in FY23. In addition to considering the composition of the committee as described above, the internal evaluation considered the performance of the committee and concluded that the committee continues to be effective.

The following provides an update on progress against those areas agreed as priority areas of focus for the committee in FY23:

AREA OF FOCUS	PROGRESS
Continue to strengthen oversight and input into the Group's operating subsidiary NED appointments.	The committee has participated in the selection process for the non-executive hires in the subsidiary firms.
Further oversight into executive's pipeline and talent development.	The committee continues to review proposals for building a pipeline of talent into the succession planning process.

The following areas were agreed as priority areas of focus for the committee in 2024:

- Further oversight into executive's pipeline and talent development

Richard Cranfield
Chair, Nomination Committee

13 December 2023

Annual statement by the Chair of the Remuneration Committee (unaudited)

Remuneration Overview

As Chair of the Remuneration Committee I am pleased to present the Directors' Remuneration Report for the year ended 30 September 2023.

In keeping with prior years the report is set out in four sections.

- This letter which summarises our remuneration ethos and objectives and how the committee has worked to deliver those during the year;
- A summary of our remuneration policy "at a glance" along with the outcomes for our executive directors can be found on page 120;
- A summary of our approach to directors' remuneration can be found on page 122;
- Our annual directors' remuneration report which can be found on page 124 and sets out how the committee has delivered its responsibilities throughout the year.
- A summary of how we have applied the policy can be found on page 127.

Our current Directors' Remuneration Policy (DRP) was approved by over 92% of shareholders at the 2022 AGM.

Our remuneration philosophy is underpinned by a responsible and sustainable remuneration structure, recognising that employees are one of our key stakeholders. However, as we develop and diversify our management team to support the demands of the business, our structure has to be adaptable to attract and retain talent, and to reward delivery of our objectives and corporate goals.

Whilst we remain committed to ensuring that employees participate in our success on broadly the same terms as our executive directors and senior managers, where we take steps to drive exceptional performance amongst our management team, we do so in a way that focuses delivery not on short-term outcomes but on the sustainable long term future success of the Group. Our objective is to align their financial interests with the interests of our investors, whilst keeping their reward measured and proportionate, and avoiding a "them and us" culture within the workforce.

Recognising the challenges of the external economy, the Company awarded meaningful but responsible pay-rises in June, weighting pay rises in favour of those on the lowest salaries, for whom the cost of living has had the greatest impact. As a result pay rises of 8% or more were awarded to lower earners whilst the most senior leaders received more prudent rises.

During the year, we welcomed Rita Dhut as an additional member of the committee, broadening the skills and experience of the membership.

The committee continues to review the structure and composition of remuneration for directors and senior leaders. The committee's work so far indicates that the overall limits on variable reward set out in the FY21 DRP, approved by shareholders at the AGM in 2022, are no longer sufficient to facilitate the flexibility required to deliver a model which both attracts and retains the talent that will effectively support the business over the longer term. Instead, a wide-ranging restructure of the DRP will be required.

The committee is not seeking to increase the incentive limits set out in the 2021 DRP in this annual report, however, the committee engaged and will engage with shareholders on any proposed changes during FY23 and early FY24, before tabling a change of policy for approval at a General Meeting.

Further details of all these themes are provided in the Director's Remuneration Report below.

Board and senior management changes

There were no changes to the board composition during the year. However, the board has recruited a CFO to further enhance the skills of the executive team. The RemCo has reviewed the proposed reward and confirmed that it meets the framework of the DRP.

In addition, a CRO joined the senior management team in January.

Together with the Senior Independent NED, the Chair of the board and the Company Secretary, I attended a number of investor meetings throughout the year to understand investor sentiment on, amongst other matters, executive reward. I am pleased to report that the messages we received were in line with our own views on the link between reward and performance.

Executive Directors' remuneration

It remains one of our key principles to create, maintain and improve value provided to our customers, shareholders and employees and to share profits between all three of these stakeholders. This reward philosophy remains unchanged. We are committed to sharing our success evenly across the workforce through the use of responsible, sustainable and proportionate variable remuneration. We have set out further the rationale for our approach to executive director remuneration on pages 122 to 123. The key features of our reward framework are as follows:

Base salary – Our ethos is to pay base salaries which are set at a level to attract and retain talented and valued employees. Salaries are benchmarked externally but the external market is only one factor taken into consideration when assessing appropriateness of salaries. Internal parity and the desire to maintain an inclusive, sustainable and responsible reward framework are equally important.

Relatively modest additional incentives – Above basic salary, our maximum total additional incentive opportunity is currently 100% of salary per annum. In accordance with our approach of keeping staff and executive award aligned, it is rare for any executive director's total annual variable remuneration award to exceed 65% of salary. As a result, remuneration for senior roles currently sits in the lower quartile of the FTSE 250. We recognise that this has an impact on our ability to attract and retain the highest quality talent and that therefore for some roles, a more flexible approach to variable reward is required.

Distinctive approach to performance measurement – Historically we have not had mechanical performance targets which apply to variable pay awards, because we believe that applying formulaic measures can lead to undesirable behaviours and / or outcomes. We do however recognise that there is a need to hold management responsible and accountable for the long-term success and stability of the business. The committee will therefore continue to exercise independent judgement and discretion when authorising cash bonus and deferred bonus remuneration outcomes, taking into account both company and individual performance. Variable remuneration awards are now more closely linked to pre-set target deliverables, including ESG outcomes. We continue to develop performance metrics for the exercise of the deferred element of any awards however this is linked to the development of a more flexible variable reward structure which will be the subject of a revised Directors' Remuneration Policy. Investors will be engaged in the development of that new Policy in due course.

Our performance measurement framework will still consider the same four anchors – financial performance; stakeholder outcomes; risk, regulation and ESG; and strategy delivery, but within those criteria specific target deliverables will be set.

Alignment with wider workforce whilst rewarding the long term sustainable and responsible business mode – Our approach to remuneration for executive directors is consistent with that for all employees. It has always been our culture that we do not use reward to grow the wealth of our executives and senior managers at the expense of our wider workforce. Our reward framework is designed to drive equitability in the remuneration outcomes in order to drive alignment in the high performance of all our employees. We recognise that our proposition relies upon our workforce performing to the highest standard to deliver the best service proposition to the market and support all our stakeholders in their success. Our variable cash bonus and Share Incentive Plan (SIP) reward incentive structure reflects this ethos because it is aligned across the workforce and all employees (excluding T4A) are awarded cash bonuses and invited to participate in the SIP under the same performance framework.

At the commencement of this performance year and in response to feedback from the work force provided by way of our annual employee engagement survey, the committee endorsed a restructure of the fixed and variable reward for the ISL, ILInt and IAD UK employees, recognising that fixed reward is of fundamental importance to our people, particularly during these times of extraordinary inflation and cost of living pressures. The rebalancing of reward resulted in all employees below the most senior managers receiving a higher fixed salary and a lower target cash bonus of 10%, but with the potential to receive a cash bonus award of up to 20% for performance recognised as excellent. The out-turn of this approach has been to provide employees with the assurance of competitive rates of fixed reward, total compensation which is equivalent to the outcome prior to the reframe, but with the possibility of enhanced bonuses to reward excellence.

At the same time, we recognise the importance of focusing senior management on the long-term sustained performance of the business. Adjusting reward for the most senior managers to reduce the scope for variable reward would be inconsistent with this approach. As a result, we have maintained the cash bonus element of reward for the most senior employees at 30% and retained the ability for all members of the management team, including executive directors, to be considered for an additional bonus award deferred into shares. As a reflection of our measured reward structure the quantum of these deferred awards currently remains capped at 33%.

As its next step to transforming the reward framework, the committee is considering the mix of cash, medium, and long-term incentives available to senior management, whilst retaining the overall alignment of interests with the wider workforce. Whilst the design of a new proposal is at an advanced stage, further details of these plans will be presented to shareholders in due course and in advance of seeking approval at a General Meeting.

The pension policy for executive directors is equivalent to that of the workforce but both Jonathan and Alexander have elected to cap their contributions at the HMRC annual allowance which at the beginning of the financial year was £4,000, rising to £10,000 following the budget changes. As a result, at 1.49% for Alexander and 1.49% for Jonathan, the actual employer pension contributions made in respect of executive directors are well below the 12.3% of salary contribution available to all employees. Our current pension arrangements therefore align with the new Corporate Governance Code as regards the alignment of executive pensions with the wider workforce.

Employees (including the executive directors) may also elect to sacrifice a percentage of their cash bonus award and receive additional employer contributions. This diverges from the Code provision, but neither Alexander nor Jonathan take advantage of this opportunity.

Share ownership – Our executive directors are significant shareholders in the Company with Alexander and Jonathan having a direct or indirect interest in 1,305,570 shares and 960,189 shares, respectively. Michael Howard as founder executive director has a direct or indirect interest in 32,000,000 shares. With the exception of employees of T4A, all UK and Isle of Man based employees with the required accrued service are invited to become shareholders by way of the all staff SIP which we are delighted to report, during financial year 2023, has once again had a 100% uptake for Free Shares and has had a 69.79% uptake for Partnership and Matching shares. All IAD employees based in Australia are invited to participate in a parallel scheme created in accordance with local remuneration rules.

In summary, we retain our belief in simple and transparent reward which is linked to Group success and individual personal performance; long term engagement amongst the more senior management; and which is delivered in a way that is sustainable, and does not drive a them-and-us reward culture, undesirable behaviours or encourage excessive risk taking:

- We have designed our remuneration structure to be inclusive and to align executive remuneration with that of the workforce.
- We encourage share ownership by all staff to align the success of the business with their own and support this by way of company-operated share ownership plans.
- We operate an HM Revenue & Customs tax-advantaged Share Incentive Plan (SIP) for UK and Isle of Man employees (excluding T4), as well as a parallel scheme for our Australian employees.
- The Group's deferred bonus share option plan has a maximum award opportunity of 33% of salary.
- For executive directors, we reference performance against four key areas – financial performance; stakeholder outcomes; risk, regulation and ESG; and strategy delivery. The committee takes a holistic approach to reviewing performance, linking the award and the out-turns of the award to defined performance metrics. Malus and clawback provisions are available to the committee to use in the event of non-delivery, should the committee wish to exercise their discretion to do so.
- We will develop our variable reward framework for our most senior managers to align with these foundations whilst driving long term, sustainable and responsible growth of the business.

We believe our approach to remuneration supports both the objectives of the Group, our shareholders and our other stakeholders, and is aligned to the key principles shared between us.

Remuneration outcomes for year ended 30 September 2023

The Company achieved robust and resilient financial results with profit before tax of £62.6 million (15% increase on prior year). Directors' salary and bonus awards were made in accordance with the Policy.

The Company restructured the reward framework for ISL and ILInt employees to reflect employee sentiment shared by way of employee engagement survey. The restructuring did not result in an increase to overall reward but rebalanced compensation to increase fixed reward, reduce target cash bonuses whilst building greater personal performance measures into variable reward out-turns.

The Company and the committee then reviewed salaries in June and determined that against a backdrop of inflationary and talent pressures it would be appropriate to structure fixed remuneration awards in a way that directed the available resources to those who needed them most. The average award to all employees who were eligible for an increase was 7.3%. Salary increases for executive directors were also considered, carefully taking into account the competitive positioning of their packages as against the market. As a result, awards were made of 4% for Alexander and Jonathan, which was lower than the average for all employees.

Directors' bonuses were awarded within the parameters of the Policy. Alexander was awarded a cash bonus of 30% and a target bonus award deferred into shares of 31.5%. Jonathan was awarded a cash bonus of 30% and a target bonus award deferred into shares of 31.5%. Michael Howard did not receive a bonus. The committee considered that these bonus awards were a fair reflection of the Company's overall performance.

In order to further align incentives with performance, the deferred share awards for our more senior managers, including Alexander and Jonathan, have this year been assessed by reference to individual and Group performance.

In making these awards the Remuneration Committee considered the quantitative and qualitative anchors. In particular, the committee considered the performance of the Company over the financial year against its strategic objectives; the business plans approved by the Board; market consensus; regulatory requirements; the current state of financial markets and the recruitment market. The focus throughout the financial year has been the delivery of organic growth, improvement in service delivery and systems enhancements and variable awards have been assessed against the extent to which these deliverables have been achieved.

Alignment with shareholders

We are mindful of our shareholders' interests and are keen to ensure a demonstrable link between reward and value creation. We remain committed to an open and ongoing dialogue with our shareholders regarding executive remuneration and we welcome feedback.

To this end I, along with other non-executive members of the Board and our Company Secretary met with a selection of our investors to understand their views and consider feedback around our reward structure. We have listened to those views and hope that this report clearly articulates our ethos whilst also demonstrating the connection of reward out-turns to individual performance.

I hope that you find this year's report informative and look forward to receiving your continued support at the forthcoming AGM.

Signed on behalf of the IHP Remuneration Committee

Christopher Munro
Chair of the IHP Remuneration Committee

13 December 2023

This report has been prepared in accordance with the provisions of the Companies Act 2006 and the Large and Medium-Sized Companies and Groups Regulations 2013, as amended.

The Report describes how the board has complied with the provisions set out in the UK Corporate Governance Code 2018 relating to remuneration matters.

The Remuneration Committee confirms throughout the financial year that the Company has complied with these governance rules and best practice provisions.

UK Corporate Governance Code – Provision 40

When developing the DRP and considering its implementation, the committee was mindful of the UK Corporate Governance Code and considers that the executive remuneration framework appropriately addresses the following considerations:

AREA OF FOCUS	OUR APPROACH
Clarity	Our approach to remuneration supports the strategic objectives of the Company, and we seek to maintain a simple remuneration model which is communicated to stakeholders, including shareholders and employees in a clear and transparent way.
Simplicity	We consider that our remuneration framework is simple and effective. Our incentive framework comprises only a cash bonus award, an all-employee share incentive plan and a deferred bonus share option award.
Risk	We believe our approach to performance measurement supports appropriate consideration of risk management and a long-term view of the business based on sustainable growth. Total remuneration is structured in a way which does not encourage short-term risk taking in order to deliver financial outcomes for executives. The annual bonus rewards performance against four anchors for the business, ensuring a holistic view of business performance.
Predictability	The maximum opportunities are outlined in the Remuneration Policy. Taking into account our approach to incentives, total remuneration is predictable in comparison with other listed companies.
Proportionality	Our executive director remuneration is aligned with that of the wider workforce and the result is a total reward structure that for the most senior executives is low in comparison to the wider FTSE 250.
Alignment to culture	Our overall approach to remuneration and the associated remuneration policy for executive directors is consistent with that for all employees. Our remuneration structure is designed to be responsible, inclusive and to ensure that we reward on merit. Our pension policy is aligned across the workforce. However, out-turns for the most senior management currently fall below those of the wider workforce, given the effect of HMRC funding limits. We consider that our approach is fully aligned with our culture.

We do however recognise that investors wish to see reward tied to long-term managed and sustainable growth of the business. We do not believe that a traditional LTIP will best achieve these objectives. We will consult with shareholders regarding our plans to achieve greater alignment with investor sentiment by way of a DRP which will be tabled for shareholder consideration in early FY24.

1. DRP 'at a glance'

ELEMENT	OPERATION	OUT-TURNS FY23 AND IMPLEMENTATION IN FY24
Base salary	• Increases will take into account a number of factors including the scale of the role and the individual's experience and wider workforce increases.	The salary increase awarded was 4% for Alexander and 4% for Jonathan which was below the UK and IoM workforce increase of 7.3%. Salary with effect from 1 June 2023: • Alexander Scott, CEO: £481,700 • Jonathan Gunby, Executive Director: £481,700
Benefits[1]	• Includes, for example, death in service, private medical insurance and a discount to the fees for use of the Transact Platform. • Executive directors are eligible to receive the same benefits on the same terms as the wider workforce.	• Benefits for Alexander and Jonathan comprise private healthcare, death in service and PMI. • Alex, Jonathan and Michael Howard benefited from the discounted platform charges.
Pension	• The pension policy is equivalent to that of the wider workforce. • The executive directors' current pension arrangements are lower than those of the workforce.	• Alexander received a £7,000 pension contribution (1.49%). • Jonathan received a £7,000 pension contribution (1.49%).
Variable reward comprising **i) an annual cash bonus element; and** **ii) a deferred bonus award of shares**	• Total maximum opportunity is 100% of salary. • The committee retains flexibility to adjust the balance between cash and deferred bonus awards within the parameters set out in this policy and the scheme rules. • The deferred bonus awards will usually vest on the third anniversary of the grant date. • Deferred bonus awards granted under the company's PSP are subject to malus and clawback provisions as described below.	• Ordinarily, we do not expect awards to be in excess of 65% of salary. • Awards are made by reference to delivery against defined metrics which are based on a mixture of individual and Group performance. • The committee uses judgement and discretion when determining outcomes under the annual bonus and deferred bonus awards. • Outcomes are made by reference to the four anchors – financial performance; stakeholder outcomes; risk, regulation and ESG, and strategy delivery. • For 2022 Alexander was awarded a cash bonus of 30% and a bonus award deferred into shares of 31.5%. Jonathan was awarded a cash bonus of 30% and a bonus award deferred into shares of 31.5%.
All employee share incentive plan	The plan is operated in line with HMRC guidance.	Executive directors are eligible to participate in the all-employee SIP on the same terms as all employees.

ELEMENT	OPERATION	OUT-TURNS FY23 AND IMPLEMENTATION IN FY24
Shareholding guidelines	• Executives are expected to build up and hold 100% of salary in shares over four years, for in-employment shareholding guidelines. • Post-employment, these guidelines will apply in full (i.e. 100% of salary) for the first year post departure and taper down to half (i.e. 50% of salary) for the second year post departure. This policy does not apply to shares purchased with an Executive's own funds and applies only to awards that vest after the approval of the 2021 Remuneration Policy.	
Non-Executive Director fees	Fees are paid quarterly	Fees with effect from 1 October 2021: • Board Chair: £140,000 • Base fee for Non-Executive Director: £70,000 • Additional fee for chairing a Committee: £10,000 • Additional fee for role of Senior Independent Director: £7,500 • No changes for 2022/2023

FY23 remuneration outcomes for our executive directors

Alexander Scott, CEO				Total remuneration
Fixed – £469,400	Cash bonus – £144,510	Deferred bonus – £151,761	Other – £7,688	£773,359

Jonathan Gunby, Executive Director				
Fixed – £469,400	Cash bonus – £144,510	Deferred bonus – £151,761	Other – £7,400	£773,071

2. DRP summary - The IntegraFin approach to executive remuneration

Our approach to executive director remuneration is, we believe, aligned to our culture, our strategy and our success to date. In 2021 we considered it afresh as part of our triennial Policy review and whilst we still believe that it supports our success, we recognise the need to develop our approach to reflect the need to attract and retain the best possible talent who will be instrumental in building and developing the proposition over the coming years.

Modest incentive quantum

We currently operate only an annual bonus with a portion deferred into shares, and the level normally does not exceed 65% of salary. This approach has aligned to our values and culture such that our executives and the wider workforce are rewarded on the same terms, with only the addition of the deferred bonus element being available to the more senior managers, the purpose of which is to drive forward and strategic thinking and resilience of the Group. A comparison with a more typical FTSE 250 package is illustrated below.

ILLUSTRATIVE FTSE 250 PACKAGE	INTEGRAFIN APPROACH TO EXECUTIVE PAY
Salary • Market rate	**Salary** • No more than market rate
Bonus max 150% of salary • Deferral of half for 3 years • Targets set up front	**Bonus max 100% of salary** • Maximum of 100% of salary, but ordinarily not expected to exceed 65% of salary
Performance shares max 175% of salary • Performance period of 3 years + 2-year holding period • Targets set up front	**No long term incentive** • Typical deferral of half for 3 years (33% of salary max) • Performance assessed on "look-back" basis

Our approach to Senior Management incentives

Our current reward structure has delivered the flexibility required to enable the committee to effectively recognise management performance for the period since listing.

We do however recognise that as we refresh our senior leadership and build our pipeline of talent to take the Group forward, there is a need to structure our reward to recognise that those individuals do not have shareholdings in the Group of a quantum which significantly enhance those individuals' income or wealth, and that a more flexible structure with the potential for higher reward in the form of equity is appropriate to properly link incentives to desired out-turns.

We are therefore undertaking a review of the structure and composition of variable remuneration to recognise past, short-term and long-term delivery of the Group's objectives. We believe that an appropriately structured model will continue to drive the right behaviours whilst enabling the Group to attract and retain talent in a competitive market.

Approach to performance measurement

Historically we have used a "look-back" approach when it comes to assessing performance and determining bonus outcomes. This year we have continued to award cash and deferred bonuses based on the look-back approach but the awards themselves are more closely linked to the delivery of metrics agreed by the committee during the performance year. Those metrics are still aligned with the four anchors that underpin our business success.

We believe that this design continues to promote long-term thinking, and to promote actions which deliver long-term success whilst maintaining alliance with workforce reward and reflecting our culture of not creating wealth for our directors at the expense of our workforce.

A critical contributor to the success of the Group is the high standard of client service delivered, collectively, by our staff. Our approach allows the committee to assess performance in the round, taking into account all relevant factors in order to ensure that outcomes are appropriate and aligned with the experience of our wider stakeholder but guided by the objectives under each anchor. As a result, our Executives' strategic focus is on growing inflows on a controlled and responsible trajectory, in order to maintain the level of customer satisfaction through delivery of the best platform, supported by exceptional service and the provision of associated ancillary services which make it easier for our clients and advisers to plan and manage their financial affairs.

PERFORMANCE ASSESSMENT — OUR FOUR QUANTITATIVE ANCHORS

Approach to performance assessment is underpinned by the Remuneration Committee considered qualitative and quantitative actual performance within this framework (individual performance is also considered).

Through this approach we look to drive sustainable long-term value for all our stakeholders. We believe that our performance measurement framework is the best way to achieve this and support our culture.

Performance is assessed within a framework which includes consideration of individual and company performance against four anchors and, for individual performance, pre-set metrics.

The committee considers that this is a controlled, responsible and proportionate approach to executive pay in the round in the context of low overall quantum and internal alignment.

3. Annual Remuneration Report

This report details the remuneration arrangements in place for people who were directors of the Company during the financial year.

There have been no changes to Directors' remuneration throughout the year save for the annual bonus award made in December 2022 and the annual pay award made in June 2023.

Wider workforce - IAD and T4A

Note that throughout this report, there are various references and/or comparatives to the wider workforce or the wider UK workforce. The structure of reward for T4A employees continues to be gradually integrated into the IntegraFin business model. Whilst basic pay rise awards have been benchmarked and aligned, variable remuneration continues to differ reflecting the different incentives applicable to the T4A business. Therefore references to wider workforce currently excludes T4A employees save where expressly included. In some instances it also excludes our Australian employees in IAD as Australian employment arrangements differ from those in the UK.

Governance

Committee membership during the year

The members of the Remuneration Committee at 30 September 2023 were:

	DATE OF APPOINTMENT
Christopher Munro (Chair)	19 January 2018
Richard Cranfield	17 December 2019
Rita Dhut	22 March 2023
Robert Lister	1 September 2021

Role of the RemCo

The purpose of the committee is to review, set and agree aspects of the overall remuneration policy and strategy for the Group and the total compensation package for certain officers and employees within the Group. It does so with a view to aligning remuneration with the successful achievement of the Group's long-term objectives while taking into account the Code, relevant regulatory requirements, market rates and value for money.

By delegation from IFAL and ILUK, the committee monitors the content and application of the Company's remuneration policy to individuals whose roles bring them into scope of the FCA and PRA remuneration codes and the Corporate Governance Code. To the extent that the committee does not approve their individual remuneration, the committee considers whether the total reward for each of those employee remains compliant with the provisions of the relevant code. The committee is also responsible for reviewing an annual statement prepared by IFAL setting out how IFAL complies with FCA regulatory requirements on remuneration.

In all its activities, the committee gives due consideration to laws and regulations, the provisions of the Code, the requirements of the UK Listing Authority's Listing, Prospectus and Disclosure Guidance and Transparency Rules and other applicable rules, as appropriate, and to shareholder feedback.

Composition of the Remuneration Committee

The board appointed Rita Dhut to the RemCo in FY23. The committee is now comprised of three independent NEDs and the Chair of the Board and therefore the composition continues to comply with the requirements of the Code. Following the implementation of MiFIDPRU, IFAL is required to comply with the provisions of SYSC19G. When reviewing the composition of the committee, consideration was given to the requirements under SYSC19G and the ongoing obligations for ILUK under the Solvency II regime. The committee composition continues to comply with both requirements.

The committee ensures that members take individual responsibility for identifying training appropriate to their needs and for keeping appropriate records of such training. Each committee member provides copies of their training record to the Company Secretary annually and undertakes all regulatory training requested by the Group.

Committee meetings and attendance

The committee meets at least twice annually and more frequently when required. The committee has met ten times during this financial year. Attendance by each member of the committee as at 30 September 2023 is set out in the Board and Committee attendance table on page 94.

The Head of Legal and Company Secretary and the Head of Human Resources attend all meetings and other individuals such as the CEO, the Group Counsel, and external advisers may be invited to attend for all or part of any meeting.

The Committee's work throughout the year

The committee has performed its duties with a view to aligning remuneration with the successful achievement of the Group's long-term objectives while taking into account the Code, relevant regulatory requirements, market rates and value for money.

The committee has undertaken the following this financial year:

AREA OF FOCUS	WORK CONDUCTED
Governance	• Reviewing the Committee Terms of Reference to ensure their continuing appropriateness. • Considering the membership of the Committee and the provisions of the Code and recommending the appointment of Rita Dhut to the Committee to enhance the skills on the Committee and to demonstrate the importance of remuneration considerations in the context of our employee engagement strategy. • Considering the FCA and PRA remuneration requirements in respect of employees who hold Senior Management Functions within the business or who have been identified as Remuneration Code Staff.
Awards	• Reviewing the appropriateness of the proposed annual staff pay award by reference to the FCA, PRA and FRC expectations, and the DRP. • Approving the proposed remuneration for the executive directors and senior managers. • Considering proposals for the remuneration of the CFO. • Considering the appropriateness of remuneration for Code staff and the staff pay award. • Reviewing and approving the making of deferred bonus awards to executive directors and senior managers. • Approving the grant of the Free Share Award. • Considering and developing proposals for a restructure of variable remuneration.

Committee self-evaluation

The committee continued to develop its performance in the context of the feedback from the 2022 self-evaluation. In particular the Chair of the committee and the Chair of the board have met with institutional investors to share insight into and receive feedback on our remuneration model. The committee has continued its work to more closely align the linkage of variable remuneration to individual as well as Company performance and to introduce clearer objectives and measures of performance and is developing the framework further to align with stakeholder interests.

Feedback regarding the interaction between the committee and the regulated subsidiary boards continues to be considered and there is a structure in place for cascade of information from the committee Chair to the chairs of the UK regulated subsidiary ARCs.

DRP

The DRP was approved by ordinary resolution at the Company's AGM held on 24 February 2022 and can be found on pages 94 to 102 of the Company's Annual Report and Financial Statements for the year ended 30 September 2021, which is available in the Investor Information section of the Company's website ***integrafin.co.uk***.

Statement of voting at the AGM

The Company remains committed to ongoing shareholder dialogue and takes a close interest in voting outcomes. The following table sets out voting outcomes in respect of the resolutions relating to approving directors' remuneration matters at the Company's AGM for the last three annual meetings:

YEAR	RESOLUTION	VOTES FOR / DISCRETIONARY	% OF VOTE	VOTES AGAINST	% OF VOTE	VOTES WITHHELD
2023	Approve the Director's Remuneration Report	221,114,781	92.18	18,760,062	7.82	0
2022	Approve the Director's Remuneration Policy	216,703,830	91.90	19,098,977	8.10	1,361,995
2022	Approve the Director's Remuneration Report	214,085,945	90.89	21,456,381	9.11	1,622,476
2021	Approve the Remuneration Report	181,687,872	81.57	41,040,519	18.43	4,742,263

4. Application of the Policy

How the Policy was applied in FY23

Summary of total remuneration – executive directors (audited)

DIRECTOR	YEAR	GROSS BASIC SALARY £'000	BENEFITS[1] £'000	PENSION £'000	TOTAL FIXED PAY £'000	ANNUAL BONUS CASH BONUS £'000	ANNUAL BONUS DEFERRED SHARES £'000	LTIP £'000	OTHER[2] £'000	TOTAL VARIABLE PAY £'000	TOTAL £'000
Alexander Scott	2023	469	1	7	477	145	152	0	8	305	782
	2022	443	1	4	448	93	146	0	8	247	704
Jonathan Gunby	2023	469	1	7	477	145	152	0	7	304	781
	2022	443	1	4	448	116	146	0	8	270	703
Michael Howard	2023	0	0	0	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0	0	0	0

1 Benefits for Alexander Scott were £922 for 2023 and £842 for 2022
Benefits for Jonathan Gunby were £922 for 2023 and £842 for 2022
2 Other remuneration relates to Share Incentive Plan awards and the employee discount on platform charges.

Michael Howard receives nil remuneration from the Company, but his employer, ObjectMastery Pty Ltd, receives a fee of AUD80k for his executive appointment to IAD Pty Ltd, a company within the Group.

Base salary (audited)

The basic annual salaries for Alexander Scott and Jonathan Gunby were reviewed in June 2023 in accordance with the Company's all-employee pay review resulting in the following changes to the annualised salary figures:

DIRECTOR	BASIC ANNUAL SALARY AS AT 1 JUNE 2022 £'000	SALARY EFFECTIVE AS AT 1 JUNE 2023 £'000
Alexander Scott	463	481
Jonathan Gunby	463	481

Benefits

Executive directors do not receive any benefits which are not available to all employees. Benefits for the executive directors comprise private health care, death in service benefits and an employee discount on platform charges.

Incentives

IntegraFin has a culture focused on our principal stakeholders – customers, shareholders and employees. Our incentive structure has been developed to support this culture:

Alignment across all staff

All staff are eligible for an annual cash bonus award and to participate in the all staff SIP. Our incentive structure is designed to align across the workforce and all employees are made awards under the same performance framework. This ensures that the executive team and the workforce share in the success of the business and drives a culture of inclusivity in the reward structure.

Aligned pension provision

The majority of UK and Isle of Man employees, including executive directors have access to three pension arrangements which interrelate. It is key that, save with respect to employees of T4A, the Company's executive directors are not eligible for pension benefits which differ from or exceed those available to other UK staff.

i) Salary Sacrifice pension

Employees (including directors) can fund as much as they wish. The Company will match 1% of basic annual salary for every 2% of basic annual salary sacrificed, up to a maximum of 4% employer contributions.

ii) Employer funded contractual-enrolment company pension scheme

Employer contributions are 9% of post-pension-sacrifice salary but participants may elect to reduce that if contributions would exceed HMRC tax free contribution allowance. If an employee does not sacrifice into (i) above, the employer contribution to the contractual enrolment company pension scheme will be 9% of basic or lower.

iii) Employees (including directors) are eligible to sacrifice a maximum of 25% of any variable cash bonus award into their pension

Any such contribution will receive 30% employer contribution. The committee continues to review the appropriateness of this arrangement The Company's directors' pension funding arrangements are not excessive and align completely with those available to the wider workforce.

Australian based employees of IAD participate in a comparable arrangement structured to comply with the Australian tax rules.

T4A operates an employer and employee funded auto-enrolment scheme. All employees of T4A, including executive directors who do not hold executive office elsewhere in the Group, are able to participate on equivalent terms. We continue to look at the synergies between the T4A remuneration structure and that of the wider workforce but will not make any significant changes to the arrangements currently in place without due consideration of the interests of both the Company and the employees.

Proportionate incentive opportunity

Our maximum total variable remuneration opportunity for executive directors is 100% of salary, and ordinarily in practice we do not expect awards to exceed 65% of salary. This relatively modest incentive level (compared to normal UK practice) supports the alignment of executive and workforce reward.

Variable reward comprises Cash bonus and deferred shares awards

The company operates a directors' discretionary bonus arrangement with the anticipated award of 65% of basic salary arranged as follows:

i) Immediate Cash bonus

Anticipated 10% of salary awarded in November and settled in December.

ii) Deferred cash bonus

Anticipated 20% of salary awarded in November with 10% settled in February and a further 10% in April provided the director remains in service and not in their notice period by reason of being a "bad leaver".

Each element is only payable if the employee remains employed on the payment date. We believe that this both rewards performance and encourages loyalty.

iii) Deferred bonus into shares

The company operates a discretionary deferred bonus share option plan by which cash bonuses of up to 33% of salary, less employer funded Free and Matching SIP shares, are deferred into share options. The holding period is three years and there is no post vesting holding period.

The plan therefore does not comply with the components specified in the Code relating to a phased release of awards and a five year holding period.

At present we believe that a three-year vesting period is adequate.

We maintain flexibility on the proportion of each element of the awards. The Company is focused on the long-term delivery of outcomes which balance the interests of customers, employees and shareholders and this is best served by ensuring that executive behaviour is focused on investment in the platform and ancillary activity in accordance with the Group's strategy and purpose.

Four qualitative and quantitative anchors

The Committee considers company and individual performance against four qualitative and quantitative anchors:

- Financial performance
- Stakeholder outcomes
- Risk and Regulation (including Environmental, Social and Governance)
- Strategy delivery

Each director's delivery of their objectives is assessed against each anchor, as well as the Group's delivery in the round. Whilst the committee has not set targets for apportionment of variable awards against each anchor, the awards are assessed by reference to delivery of those anchors and awards are adjusted for non-delivery.

Within those anchors, the RemCo considers a wide variety of management information available to the Board and its committees. Whilst the committee considers metrics linked to each anchor, the essence of the process is to use the metrics to arrive at a balanced judgement as to whether an award is warranted and, if so, at what level.

Annual bonus (cash and deferred share) awards for FY23 (audited)

DIRECTOR	CASH AWARD £'000		DEFERRED AWARD £'000	
Alexander Scott	145	30% of salary	152	31.5% of salary
Jonathan Gunby	145	30% of salary	152	31.5% of salary

The cash and deferred award percentages are by reference to the basic salary on 30 September 2023. This is aligned to the approach taken for all employees.

The bonus for Alexander is recommended by the board Chair. The bonus for Jonathan is recommended by Alexander. The committee considers detailed information which covers factors such as financial performance, risk, compliance, conduct, internal controls, client and client adviser metrics, and delivery of strategy.

This year, as in past years, we reviewed the board Chair's and the CEO's proposals in that context, and considered whether the executive directors had delivered appropriate stakeholder, financial and strategic performance, whilst also managing risk and maintaining internal controls.

For FY23 the assessment of whether cash and deferred bonus awards were justified was in particular informed by the following metrics and performance in the year:

Quantitative anchor (metrics and performance)

Financial performance

Ensure effective financial performance of the Group by:

- Delivering financial performance against forecast, in accordance with projections and market expectations.
- Sustaining service excellence within the context of managed expenses.
- Managing costs and headcount effectively.
- Managing the dividend flow and distributable reserves/regulatory capital from subsidiaries.

Measures of success

- Net inflows
- Earnings per share
- Expense ratio
- Profit margin
- Share price
- Market cap
- T4A user licences
- Payment of a dividend
- External factors outside of the Company's control, e.g. sudden FTSE and global movements.

Out-turns

In FY23:

- Financial performance fell below original projections but, in the main, this was due to negative market movements outside the Company's control.
- Profit margin has reduced as a result of the historical VAT charges and interest thereon; and the removal of T4A post combination remuneration. Normalised profit results in a reduced profit of just 6.5%.
- Service delivery, whilst subject to stretch, continued to be regarded as market leading by our Financial Advisers and has not impacted on financial performance.
- Dividend flow and distributable reserves/regulatory capital from subsidiaries to support Group dividend were managed effectively and dividends to shareholders have been paid in line with policy.
- Forward-looking projections indicate that the Company is well placed to sustain performance over the coming year taking into account stress-tested scenarios.

Stakeholder outcomes

Create, maintain and improve value to our four groups of stakeholders – customer, shareholders, suppliers and employees by:

- Identifying and executing opportunities for consistent growth in gross and net inflows and sustained or improved market share of net inflows.
- Sustaining our platform's adviser-voted industry awards.
- Ensuring adviser satisfaction with the Company's propositions.
- Creating a culture which encourages openness, honesty, prevents harm and results in behaviours that are consistent with the Group's values.
- Maintaining a staff attrition rate that remains within appetite.
- Ensuring that the Group does not risk capital beyond reasonable levels, does not create any commercial conflict or make it difficult to meet regulatory responsibilities.

Measures of success

- Net inflows
- Adviser + user/client retention
- Market share of inflows
- Adviser voted awards received
- Market research results (internal and external)
- Staff attrition rates
- Staff engagement survey results
- Under performance rates
- Shareholder engagement
- Performance and management of third-party suppliers

Out-turns

In FY23, the Company delivered the following:

Clients and advisers

- Market share of gross inflows remained above 10% and net flows make up approximately 22% of the market.
- Transact rated first in CoreData UK Investment Platform study 2023 and won Schroders UK Platform award 2023 “Platform of the Year”.
- Clients benefited from further price reduction on buy commission, removal of wrapper fees on junior pensions and the reduction in fee for non-advised clients.
- Clients and advisers benefit from continued investment in the development of digital onboarding tools.

Employees

- Changes to performance related pay for London and Isle of Man staff has addressed concerns over basic pay levels and strengthened the basis on which performance is measured and rewarded.
- 100% of eligible employees took up the SIP free share award and 69.79% took up the Partnership Share award.
- The Employee emphasised employee focus on the delivery of enhancements to the work environment London based employees.

Shareholders

- The Company distributed dividends in accordance with its dividend policy.
- The share price has remained stable throughout the year.
- In order to add strength and depth to our Group financial reporting and financial management the Board has selected a CFO to start in January 2024.

Suppliers

- The Group settled around 95% of its invoices within 30 days of receipt in the last fiscal year.

No one stakeholder is prioritised over the others and the Committee considers the balance of the outcomes for stakeholders when determining the appropriateness of variable remuneration awards.

Risk, regulation and ESG

- Effective leadership of risk management by reference to all capital liquidity, operational resilience and compliance with regulatory requirements applicable to the Group, including those applicable to the Company as a UK listed plc and those applicable to our UK investment firm, UK insurance firm and Isle of Man insurance firm.
- Demonstrable adherence to internal, legal and regulatory policies, law and rules.
- Effective management of internal governance of the Group both at Board level and through the subsidiaries and management structure and the interrelationship with the delivery of the strategy and financial performance.
- Making moral decisions and demonstrating a values-driven approach that seeks to prevent rather than cure.
- Effective delivery of the environmental response plan.

Measures of success

- Complaint and error metrics
- Review of non-compliance or sanctions affecting the Group
- Customer satisfaction
- Internal audit reports and findings, and the resolution thereof
- Performance against Risk control self-assessment
- Progress on environmental response plan

Out-turns

In FY23 the Company delivered:

- Ongoing engagement with the FCA, the PRA and the IoM FSA on matters such as board succession and non-standard assets.
- Internal Audit programme completed.
- Risks including regulatory compliance managed within appetite. Minor risk appetite breaches promptly identified and addressed.

TCFD reporting reviewed and enhanced. The above achievements are also underpinned by the following:

- The Group has shown appropriate adherence to internal, legal and regulatory policies, laws and rules and board reports demonstrate appropriate understanding and implementation of regulatory change projects.
- Monitoring, auditing and other assurance activities demonstrate appropriate attention to maintaining the internal control environment.

The committee considers all of these aspects when determining the appropriateness of a variable remuneration award. No individual weighting is applied to one or more of these aspects so that the committee has the flexibility to adjust the award by reference to the impact of internal and external constraints on the delivery of each.

The committee considers the steps taken to recruit and retain talent within the organisation. In doing so, the committee receives reports on staff numbers, recruitment and retention, and internal development opportunities by way of promotions and movement between departments and business functions.

The committee considers the appropriateness of executive reward in the context of these measures.

Strategy delivery

Ensuring that the Group and each of its subsidiary companies achieves its strategic goals through:

- Continuous improvement of the platform functionality, responding to customer feedback.
- Enhanced resilience of the core platform and associated services.
- Increased number of advisers and clients using CURO.
- Growth of ancillary services to enhance the adviser and client experience.

Measures of success

- Assessment of the ancillary services offered to clients and advisers
- Management of expenses
- Number of retained advisers and clients
- Number of new advisers and clients
- Number of advisers and clients using CURO

Out-turns

In FY23, the key strategic deliverables by the Company were:

- Delivery of organic growth.
- Improvement in service delivery.
- Continuing the development of the enhanced CURO proposition on Power Platform software.
- Continued delivery of system enhancements.

How the Committee's discretion was applied

In determining the award for the executive directors, we considered the Group's performance against its strategic objectives, the business plans approved by the Board, market consensus, regulatory requirements, the current state of financial markets and the recruitment market. The committee weighed up the performance of the Company in FY23 and the future projections for FY24. Consideration was given to the extent to which we delivered the superior customer service to which we aspire and to the Group's financial performance. Financial performance was considered by reference to the business plan shared with the board at the beginning of the financial year and to the delivery of stakeholder expectations. Having balanced these deliverables the committee then considered whether the proposed awards were sustainable given the current projections and future plans and deliverables within the Group.

We sought assurance that the recommendations were made in accordance with a balanced view of future profitability and in the interests of all stakeholders, not just based on backward looking performance, and that the awards were consistent with the expectations of our regulators and our other stakeholders regarding proportionate reward that focused executive remuneration on sustainable delivery over the medium to long term whilst discouraging inappropriate risk taking or focus on driving up share price at the expense of other stakeholder outcomes.

The committee concluded that payment of an award was appropriate given the Group's delivery in the financial year and sustainable in light of the forward-looking projections and the forecast performance of the Company over the coming year. The committee discussed the quantum of the proposals and evaluated the appropriate level of awards to the Directors.

In considering the anchors we reviewed the performance of the external market and the impact of factors that the Group could not control, alongside the delivery of the platform and stakeholder outcomes that it could.

We considered the impact of stock market volatility on the Company's financial performance.

We considered the ongoing investment in T4A, their delivery of their business plan, and the Company's steps to align the independent businesses to deliver optimum outcomes for customers.

Based on a holistic assessment of Group performance, including consideration of the 2023 outcomes set out in the table above, and individual performance, the committee granted the following awards:

Alexander Scott was granted an overall award (cash and deferred bonus shares) equal to 61.5% of salary. In making this award, the committee had particular regard to the financial performance of the Group, the delivery of the shareholder experience and progress towards climate related commitments. The committee allocated the award as 30% cash and 31.5% deferred into shares.

Jonathan Gunby was granted an overall award (cash and deferred bonus shares) equal to 61.5% of salary. In making this award, the committee had particular regard to the financial performance of the Group, the delivery of new and retention of existing business through the platform proposition, enhancement of the technology offering and management of the delivery ancillary services in support of our strategic objectives. The committee allocated the award as 30% cash and 31.5% deferred into shares.

The deferred bonus award is granted following the announcement of the Group's annual results. Awards will vest after three years and will be subject to malus and clawback provisions as detailed in the DRP.

In certain circumstances, the Committee has the right to reduce or withhold the deferred bonus award. This includes but is not limited to where there has been a material misstatement and/or significant downward revision in the financial results, where the calculated number of shares awarded to an individual director is determined to be too high, or where the Award Holder has engaged in misconduct justifying the director's summary dismissal.

Going forward the committee is giving consideration to applying performance conditions to the deferred share award.

LTIPs

The Company does not currently operate a traditional LTIP and, in FY22, no award was made to executive directors that was dependent on performance conditions relating to more than one year. Awards made to executive directors in respect of FY23 were assessed against the delivery of performance conditions; however, they are not under the framework of an LTIP.

SIP

Executive directors can participate in the SIP. The board may make an award to participants of Free Shares up to the value of 3% of salary or £3,600 (whichever is lower) and may permit participants to subscribe for Partnership Shares up to the value of 1.5% of salary or £1,800 (whichever is lower). For every Partnership Share purchased, two Matching Shares were awarded. The £3,600 and £1,800 limits are set by applicable legislation and will be revised automatically in the event of any changes to the legislation.

During FY23, the maximum SIP award was granted to qualifying employees (including Alexander Scott and Jonathan Gunby). The Partnership and Matching Share Award was made on an evergreen basis and therefore all qualifying employees will be able to continue to participate in the plan unless it is revoked by the committee. Based on the Group's performance in FY23 the board has not revoked that award. The board has considered the Group's performance in FY23 and, with the approval of the Remuneration Committee, has approved the making of a further maximum SIP Free Share award to qualifying employees (including Alexander Scott and Jonathan Gunby) when the Company is not in a closed period. This will be following the announcement of the Group's financial results.

Pension contributions

Pension contributions for Alexander Scott and Jonathan Gunby are currently made by reference to the relevant personal allowance. In the FY23 performance year, the employer's pension contribution for both Alexander Scott and Jonathan Gunby was £2,000 for the period 1 October 2022 to 31 March 2023 and £5,000 for the period 1 April 2023 to 30 September 2023.

In line with our remuneration principles, pension contributions for executive directors are aligned with those available to the wider workforce. In FY23, at 1.49% of basic salary, both Alexander Scott and Jonathan Gunby received pension contributions below the minimum level contributed in respect of the wider workforce.

The minimum employer contribution available to all employees in FY23 was 9%. For employees other than executive directors the Group has made contributions to personal pension arrangements for those employees who have sacrificed salary. Whilst this benefit is available to executive directors, none of the current executive directors has sacrificed salary.

Shareholding guidelines

In-employment

In the 2021 DRP, the Company adopted in-employment shareholding guidelines pursuant to which a serving executive director must build up and maintain a holding of IntegraFin shares with a value (as determined by the committee) at least equal to 100% of salary over a period of four years. Unvested share options awarded under deferred bonus arrangements and shares subject to other share awards which are no longer subject to any performance condition (including any exercisable but unexercised awards) count towards the requirement, on a net of assumed tax basis where relevant.

Individual shareholdings for each of Alexander Scott, Jonathan Gunby and Michael Howard are set out below and all meet the minimum requirements under the policy.

Post-employment

The Company has adopted post-employment shareholding guidelines pursuant to which an executive director must retain for 12 months following cessation of employment such of their "relevant shares" as have a value (as determined by the committee) equal to the in-employment guidelines most recently applicable to them, and for a further 12 months such of their "relevant shares" as have a value (as determined by the committee) equal to 50% of the in-employment guidelines most recently applicable to them. Shares which the executive director has purchased or which they acquire pursuant to share plan awards granted before this Policy came into effect are not "relevant shares" for these purposes.

The committee retains discretion to vary the shareholding guidelines to take account of compassionate circumstances.

No executive directors have left office since the implementation of the policy and therefore there is no report to provide in this respect.

Percentage change in remuneration of directors compared to the average employee

The table below shows the percentage movement in the salary, benefits and annual bonus for the Directors compared to that for the average Group employee over the past five years.

The SIP scheme is provided to all UK and Isle of Man employees, including executive directors, but excluding T4A and is not included above.

	FY23			FY22			FY21			FY20			FY19		
DIRECTOR	**SALARY / FEES %**	**BENEFITS %**	**BONUS %**	**SALARY / FEES %**	**BENEFITS %**	**BONUS %**	**SALARY / FEES %**	**BENEFITS %**	**BONUS %**	**SALARY / FEES %**	**BENEFITS %**	**BONUS %**	**SALARY / FEES %**	**BENEFITS %**	**BONUS %**
Alexander Scott	4	31.25	11.71	7	26.6	(10.1)	2.5	19.5	(-0.7)	56.4	0.0	63.8	3.8	-	(9.4)
Jonathan Gunby	4	31.25	1.76	7	26.6	(1.4)	2.5[1]	19.5	0.6	-	-	-	-	-	-
Michael Howard	n/a	n/a	n/a	-	-	-	-	-	-	-	-	-	-	-	-
Caroline Banszky	-	-	-	33.3	-	-	0	-	-	0.0	-	-	119.1	-	-
Victoria Cochrane	-	-	-	29.2	-	-	0	-	-	0.0	-	-	0.0	-	-
Richard Cranfield	-	-	-	40	-	-	0	-	-	0.0	-	-	-	-	-
Rita Dhut	-	-	-	0	-	-	0	-	-	-	-	-	-	-	-
Robert Lister	-	-	-	28.3	-	-	0	-	-	0.0	-	-	-	-	-
Christopher Munro	-	-	-	45	-	-	(14.3)	-	-	(30.0)	-	-	25.8	-	-
Average employee (exc. T4A)	7.3	31.25	(37.46)[2]	7.3	26.6	16.75	3.2	19.5	17.98	2.9	5.5	12.8	3.6	26.8	1.1

Notes to the table:

Alexander Scott's basic remuneration increased in 2020 upon appointment as CEO.

Jonathan Gunby was appointed in 2020 and there is therefore no comparable data for 2019.

[1]Jonathan's basic salary increased 2.5% year on year, however in 2020 Jonathan purchased annual leave and therefore received lower basic and variable remuneration in 2020 than Alexander.

[2]The reduction in the average employee bonus award is reflective of the restructure of employee reward to increase basic and reduce the variable proportion to a targets met out-turn of 10% (2022 - 20%).

Michael Howard receives nil remuneration from the Group but his employer, ObjectMastery Pty Ltd, receives a fee of AUD80k for his executive appointment to IAD Pty Ltd, a company within the Group. This fee remained consistent until FY23.

Christopher Munro was appointed to interim chair in 2019 and then stood down from this position in 2020 which is why there is a fee differential year on year.

In 2021 the NED fees were restructured resulting in a reduction in the fee payable to Christopher Munro.

The change in salary/ fees for the directors is based on the salary as at 30 September for each financial year.

Some staff received a deferred share bonus award in 2020, 2021, 2022 and 2023 which is why there is a significant increase from 2019.

The table does not include salary and benefits movement for IAD employees employed in Australia as their employment benefit package differs from the UK staff package in recognition of different compensation and benefit rules in Australia. It has therefore been deemed inappropriate to include their remuneration in this comparison. Similarly, the "average employee" calculation in the table excludes T4A due to slight differences in the remuneration structure.

CEO pay ratio table

The following table sets out the ratio of the CEO's pay to each of the Group's median, lower quartile and upper quartile pay for UK employees for the last five years.

		METHOD	25TH PERCENTILE PAY RATIO	MEDIAN PAY RATIO	75TH PERCENTILE PAY RATIO
FY23	Salary	Method A	11:1	8:1	7:1
	Total remuneration		17:1	13:1	9:1
FY22	Salary	Method A	14:1	10:1	6:1
	Total remuneration		16:1	12:1	8:1
FY21	Salary	Method A	14:1	11:1	7:1
	Total remuneration		16:1	13:1	9:1
FY20	Salary	Method A	17:1	13:1	9:1
	Total remuneration		18:1	15:1	10:1
FY19	Salary	Method A	n/a	n/a	n/a
	Total remuneration		18:1	15:1	10:1

The salary and total remuneration ratios for 2023 above are based on the following figures:

FY23	CEO	25TH PERCENTILE PAY RATIO	MEDIAN PAY RATIO	75TH PERCENTILE PAY RATIO
Salary	469,367	41,641	58,492	70,133
Total remuneration	780,839	47,273	61,764	89,028

The CEO pay ratios were calculated using 'Option A', set out in the Companies (Miscellaneous Reporting) Regulations 2018. Under this method, the full pay and benefits of each UK employee were used to identify those employees that represented the Group's median, lower quartile and upper quartile pay for UK employees. The full pay and benefits of these employees were then used to calculate the ratios as at 30 September 2023. The Group elected to use Option A as its method of calculation as it felt that using the full pay and benefits of all employees was the most accurate method of identifying those employees that represented the Group's mean median, lower quartile and upper quartile pay for UK employees. To determine the full-time equivalent pay and benefits of non-standard workers, part-time workers' remuneration was grossed up to the equivalent full time pay.

The ratio for the median and 75th percentile has decreased in FY23. There has been no overall change to the reward structure or benefits provision in the year. The Company has however experienced higher turnover in FY23 compared to prior years, resulting in a net reduction in the number of employees included in the comparative calculation. In addition, the remuneration used to calculate the gap is based upon remuneration awarded in respect of the reference year and therefore the reduced bonus awarded for the IHP CEO in FY22 has resulted in a decreased pay gap.

Executive director remuneration compared to wider workforce

Our approach to remuneration for executive directors is consistent with that for all employees.

- *Incentives* – our incentive structure is aligned across the workforce, excluding T4A, and all employees are made awards under the same performance framework. For more senior employees a portion is deferred into shares.
- *Pension* – for all employees the maximum company contribution available in FY23 was 22%. Whilst executive directors are eligible to receive the same level as (but no more than) all employees, the pension currently provided to executive directors is 1.49% of salary, considerably lower than the pension provided to the workforce.
- *SIP* – all-employees receive SIP shares based on company performance. This year the maximum of 3% of salary (up to a maximum of £3,600) was awarded, with additional partnership and matching shares available.

Relative importance of spend on pay

The following table sets out the percentage change in profit, dividends paid and overall spend on pay in the year ending 30 September 2023, compared to the year ending 30 September 2022.

	FY23 £m	FY22 £m	PERCENTAGE CHANGE
IFRS profit after tax	49.9	44.0	13%
Dividends	33.7	33.7	0%
Employee remuneration costs	46.0	38.3	20%

Payments to past directors (audited)

There were no payments to past directors

Payments for loss of office (audited)

No director received payment for loss of office in FY23

Share Awards made during the year (audited)

	TYPE OF INTEREST AWARDED		BASIS ON WHICH AWARD MADE [2]	DATE OF AWARD	FACE VALUE AWARDED [3]	PERCENTAGE RECEIVABLE FOR MINIMUM PERFORMANCE	NUMBER OF SHARES AWARDED	END OF DEFERRAL PERIOD
Alexander Scott	Deferred bonus	Conditional share award	33% salary less award of SIP Free and Matching shares	20.12.2022	£145,656	100%	48,187	20.12.2025
	SIP	Free Shares	3% (Free and Matching shares) of Salary subject to maximum of £3,600 each per annum and 1.5% (for Partnership Shares) subject to a maximum of £1,800 per annum	06.01.2023	£3,598	100%	1,205	N/A*
		Partnership Shares		23.01.2023	£1,800		675	
		Matching Shares		23.01.2023	£3,600		1,350	
		Dividend Shares		27.01.2023 30.06.2023			178 142	
Jonathan Gunby	Deferred bonus	Conditional share award	33% salary less award of SIP Free and Matching shares	20.12.2022	£145,656	100%	48,187	20.12.2025
	SIP	Free Shares	3% (Free and Matching shares) of Salary subject to maximum of £3,600 each per annum and 1.5% (for Partnership Shares) subject to a maximum of £1,800 per annum	06.01.2023	£3,598	100%	1,205	N/A*
		Partnership Shares		23.01.2023	£1,800		675	
		Matching Shares		23.01.2023	£3,600		1,350	
		Dividend Shares		27.01.2023 30.06.2023			178 142	

1 Deferred share awards form part of the annual incentive, for which awards were determined based on performance to 30 September 2022.

2 SIP Free Share awards were determined based on Group performance to 30 September 2022. SIP Partnership and Matching awards are loyalty awards. The awards are evergreen and are purchased monthly and will continue unless revoked by the Remuneration Committee. The award date shown is the first purchase date following publication of the Company's annual report and financial statements but the amount reflects the award for the full financial year.

3 The face-value of the deferred bonus share award is calculated using average share price from 15 December 2022 to 19 December 2022 which was £3.02. The face value of the Free Shares is calculated using the share price paid by the SIP administrator on the date of purchase which was £2.99. The face value of the Partnership and Matching Share award is calculated using the total number of Partnership and Matching Shares bought on behalf of the relevant individuals during the financial year and an average share price for matching share purchases.

4 The SIP is operated in line with HMRC guidance.

Shareholding requirements and directors' share interests (audited)

No share awards other than the all staff SIP and the deferred bonus Share Option Plan award were awarded to executive directors during the financial year.

During the FY21 policy review, the Company implemented a requirement that executive directors are required to build up a holding of one year's salary equivalent in shares within four years of appointment. In assessing whether an individual director meets this requirement, the Company will include shares held in the director's own name, those held in any pension over which the director directs the investment profile, and those unvested shares held in an employee share plan.

We recognise that the Investment Association guidance recommends that executive directors hold two year's basic salary equivalent in shares within two years of appointment, however the Company believes that it is incompatible with social diversity to require a new director to acquire any more than one year's salary equivalent in shares in a period any less than four years from appointment. To do so would require the director to be so economically advantaged that it would exclude individuals from wider, more diverse backgrounds from taking up an appointment with the board. The Company believes that by limiting the requirement to one year's basic salary, permitting the inclusion of a wider range of shares and providing a period of four years for the accrual of those shares, the appropriate balance is struck between inclusion, and directors' personal investment in the long-term outcomes of the Company.

DIRECTOR/ CONNECTED PERSON	1P ORDINARY SHARES	TOTAL 2018 SIP SHARES[1]	DEFERRED BONUS SHARE SCHEME (NO PERFORMANCE CONDITIONS)	VESTED BUT UNEXERCISED	OPTIONS EXERCISED	SHARES HELD AT 30.09.2023 TOTAL	PERCENTAGE OF BASIC PAY / FEE HELD IN SHARES	SHARES HELD AT 30.09.2022 TOTAL	PERCENTAGE OF BASIC PAY / FEE HELD IN SHARES
Alexander Scott	1,148,260	11,413	145,897	47,152	0	1,305,570	652%	1,253,833	629%
Jonathan Gunby[2]	803,665	11,413	145,111	46,677	0	960,189	479%	908,452	441%
Michael Howard[3]	32,000,000	0	0	0	0	32,000,000	175,449%	32,000,000	175,532%
Christopher Munro	1,003,324	0	0	0	0	1,003,324		1,003,324	
Caroline Banszky	7,500	0	0	0	0	7,500		7,500	
Victoria Cochrane	3,750	0	0	0	0	3,750		3,750	
Richard Cranfield[4]	20,000	0	0	0	0	20,000		10,000	
Rita Dhut	15,000	0	0	0	0	15,000		15,000	
Robert Lister	6,015	0	0	0	0	6,015		6,015	

(1) Includes dividend reinvestment shares relating to SIP shares.

(2) Includes Cheryl Gunby shareholdings and family trusts controlled by Jonathan.

(3) Michael Howard's shareholding is shown as a percentage of the fee paid to ObjectMastery for his services to the IHP board.

(4) Includes Gillian Cranfield shareholdings.

The value of each director's shareholding has been calculated by reference to the average of the share price over the final three months of the financial year.

The value of unvested and unexercised share options is shown net of Income Tax at the additional rate and Employee's NI.

The rate for Michael Howard has been calculated by reference to the exchange rate on 30 September of the relevant financial year.

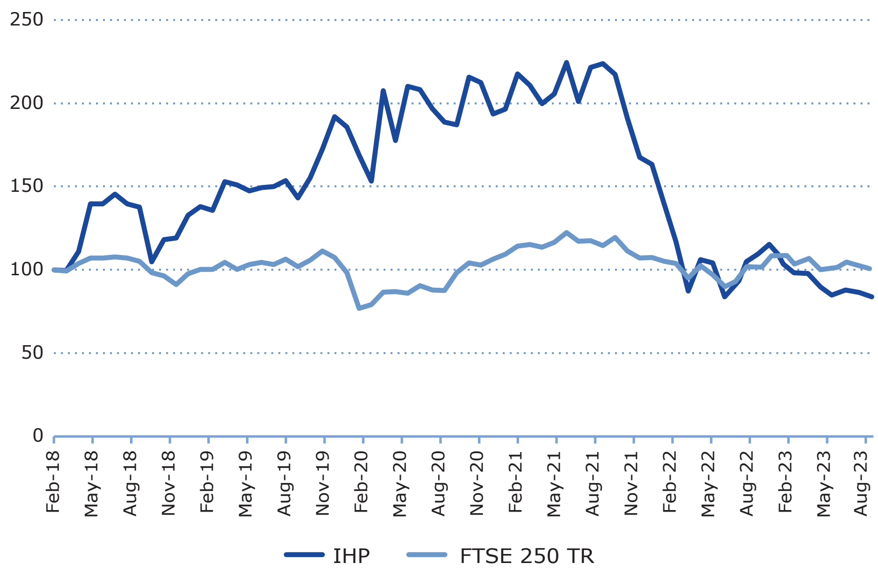
No Directors have any other vested or unvested share options as at the end of the FY23.

Shareholder return performance graph and CEO pay over the same period

This graph shows the Company's total shareholder return performance from Admission to 30 September 2023

The Company has chosen to show total shareholder return against the FTSE 250 total return over the same period, as the Board considers this to be the most appropriate comparator.

TOTAL SHAREHOLDER RETURN PERFORMANCE VS FTSE 250 SINCE 2 MARCH 2018



The following table shows the history of the Chief Executive Officer's remuneration since admission:

CEO REMUNERATION	CEO SINGLE FIGURE OF REMUNERATION	ANNUAL BONUS PAYOUT (AS A % OF MAXIMUM OPPORTUNITY)	LTIP VESTING OUT-TURN (AS A % OF MAXIMUM OPPORTUNITY)
FY23	£782k	61.5%	N/A
FY22	£695k	52.4%	N/A
FY21	£704k	62%	N/A
FY20	£639k	72%	N/A
FY19	£751k	82%	N/A
FY18	£769k	83%	N/A

Note to the table

The figures for FY18 and FY19 relate to the previous CEO, Ian Taylor. The figures for FY20 to date relate to the current CEO, Alexander Scott.

Fees for the Chair and Non-Executive Directors (audited)

There has been no increase to the remuneration paid to the Chair and NEDs during the financial year. In respect of the financial year ending 30 September 2023 the amounts are as follows.

ELEMENT OF REMUNERATION BY DIRECTOR	FY23 (£)	PERCENTAGE INCREASE ON FY22
Chair	140,000	0
Base Fee	70,000	0
Senior Independent NED	7,500	0
Committee Chair (excl NomCo)	10,000	0

Advisers

Deloitte LLP (Deloitte) is retained as adviser to the Remuneration Committee. Deloitte was appointed by the committee, and the committee is satisfied the advice provided by Deloitte is objective and independent. Deloitte is a founding member of the Remuneration Consultants Group and voluntarily operates under the Code of Conduct in relation to executive remuneration consulting in the UK.

Deloitte has provided advice on the content of this Directors' Remuneration Report. For FY23, total fees were £23k, with fees on a time and materials basis. Deloitte has provided no other services to the Company during the financial year.

Korn Ferry LLP provided information to support the benchmarking of remuneration for executive directors and senior managers.

In addition to Deloitte, the following people have provided material advice or services to the committee during the year:

- Alexander Scott – CEO
- Helen Wakeford – Head of Legal and Company Secretary
- Lucy Smith – Head of Human Resources

DIRECTORS' REPORT

The directors present their report and financial statements for the year ending 30 September 2023.

The content of the 'Management Report' required by the FCA Disclosure and Transparency Rule DTR4.1 is in the Strategic Report and the Governance section of the Annual report and financial statements, which also contains details of likely future developments identified by the board. This information is shown in the Strategic Report rather than in the Directors' Report under sections 414 C (11) of the Companies Act.

The Corporate Governance Report on page 7 forms part of the Directors' Report.

Information disclosed in accordance with the requirements of the applicable sections of the FCA Listing Rule LR9.8 (Annual Financial Report) can be found here:

Details of Long-Term Incentive Schemes	The Directors' Remuneration Report
Directors' Interests in the Company's Shares	The Directors' Remuneration Report
Major Shareholders' Interests	Directors' Report
Non-Executive Directors' terms of appointment	Directors' Report
Directors' transactions in the Company's Shares	Director's Report
Details of non-financial reporting	Corporate Social Responsibility Report

Principal risks and uncertainties

The review of the business and principal risks and uncertainties are disclosed in the Strategic Report at pages 2 to 72.

Internal control and risk management systems

A description of the Group's internal control and risk management systems in relation to the financial reporting process is set out on pages 60 to 68 of the Strategic Report.

Directors

The executive directors who served during the financial year were Alexander Scott, Jonathan Gunby and Michael Howard.

The NEDs who served during the financial year were Richard Cranfield, Caroline Banszky, Victoria Cochrane, Rita Dhut, Christopher Munro and Robert Lister.

All of the current directors are standing for re-election at the upcoming AGM.

The appointment and replacement of directors is governed by the Company's Articles of Association, the UK Corporate Governance Code, the Companies Act 2006 and related legislation. The directors may exercise all the powers of the Company.

Service contracts and letters of appointment

All executive directors have written service contracts in place with an employing Company in the Group. Although the executive directors' service contracts do not have fixed end dates, they may be terminated with six months' notice from either side. In the event that notice is given to terminate the executive director's contract, the Company may make a payment in lieu of notice or place the individual on garden leave.

Entitlement to any variable remuneration arrangements will be determined in accordance with the relevant plan rules and the DRP. Executive directors' service contracts do not make any other provision for termination payments.

NEDs do not have service contracts but are bound by letters of appointment which are available for inspection on request at the Company's registered office.

NEDs are appointed for a three-year term, subject to confirmation by shareholders at the following annual general meeting and annual re-election at each subsequent annual general meeting.

Details of Non-Executive Directors' terms of appointment

Details of the NEDs' terms of appointment are set out below:

NON-EXECUTIVE DIRECTOR	DATE OF FIRST APPOINTMENT	DATE OF LATEST RENEWAL TERM	DATE FOR FURTHER RENEWAL TERM
Christopher Munro	1 February 2017	13 February 2023	N/A
Caroline Banszky	22 August 2018	22 August 2021	22 August 2024
Victoria Cochrane	28 September 2018	28 September 2021	28 September 2024
Richard Cranfield	25 June 2019	25 June 2022	25 June 2025
Robert Lister	26 June 2019	26 June 2022	26 June 2025
Rita Dhut	22 September 2021	N/A	22 September 2024

Directors' interests

Details of the directors' interests in the Company's ordinary shares can be found on page 141, within the Remuneration Report. During the financial year, rights for share options were granted to Alexander and Jonathan under the Company's deferred bonus Share Option Plan.

Throughout the financial year, no director had any material interest in a contract to which the Company or any of its subsidiary undertakings was a party (other than their own service contract) that requires disclosure under the requirements of the Companies Act 2006.

Directors' indemnities

The Company has made qualifying third-party indemnity provisions for the benefit of its directors. These provisions were for the purposes of section 234 of the Companies Act 2006 and were in force throughout the financial year and remain so at the date of this report. In addition, the Company maintains Directors' and Officers' Liability insurance which gives appropriate cover for legal action brought against its directors.

Status of Company

The Company is registered as a public limited Company under the Companies Act 2006.

Stakeholders

The Group considers its principal stakeholders to be clients, advisers, employees, regulators, shareholders, suppliers, and communities. Details on the Group's stakeholder engagement is outlined on page 81.

Diversity and inclusion

The Company recognises the benefits of companies having a diverse board and sees diversity at board level as important in maintaining good corporate and board effectiveness. The Group has an established board Diversity Policy dealing with appointments to the board.

The objective of the Group's board Diversity Policy is to ensure that new appointments to any board within the Group are made on merit, taking into account the different skills, industry experience, independence, knowledge and background required to achieve a balanced and effective board. The Policy also states that the Company will only use executive search firms that have signed up to the Voluntary Code for Executive Search Firms.

When determining the composition of the board, consideration is given to the diversity of board members and, when possible, appointments are made with a view to achieving a balance of skills with diversity. More information on the Group's approach to Diversity and Inclusion is outlined in the People section on page 45.

Share capital

Structure of the Company's capital

As at 30 September 2023, the Company's issued and fully paid-up share capital was 331,322,014 ordinary shares of £0.01 each. The Company does not hold any treasury shares. The ordinary shares have attached to them equal voting, dividend and capital distribution rights.

Voting rights

At any General Meeting, on a show of hands, any member present in person has one vote and every proxy present, who has been duly appointed by a member entitled to vote on a resolution, has one vote. On a poll vote every person present in person or by proxy has one vote for every share held. All shares carry equal voting rights and there are no restrictions on voting rights.

Two employee benefit trusts (EBTs) operate in connection with the Group's deferred bonus share option plan. The Trustees of the EBTs may exercise all rights attaching to the shares in accordance with their fiduciary duties other than as specifically restricted in the relevant Plan governing documents. The Trustees of the EBTs have informed the Company that their normal policy is to abstain from voting in respect of the Company's shares held in trust. The Trustees of the Company's two Share Incentive Plans (SIPs) will vote as directed by SIP participants in respect of the allocated shares but the Trustees will not otherwise vote in respect of the unallocated shares held in the SIP Trusts.

Restrictions on share transfers

There are restrictions on share transfers, all of which are set out in the Company's Articles. The board may decline to register: a transfer of uncertificated shares in the circumstances set out in the Uncertificated Securities Regulations 2001; a transfer of certificated shares that are not fully paid; a transfer to more than four joint holders; a transfer of certificated shares which is not in respect of only one class of share; a transfer which is not accompanied by the certificate for the shares to which it relates; a transfer which is not duly stamped and deposited at the Transfer Office (or such other place in England and Wales as the directors may from time to time decide); or a transfer where in accordance with section 794 of the Companies Act 2006 a notice (under section 793 of that Act) has been served by the Company on a shareholder who has then failed to give the information required within the specified time.

Purchase of own shares

At the 2023 AGM, shareholders authorised the Company to buy back up to 10% of its own ordinary shares by market purchase at any time prior to the conclusion of the AGM to be held in 2024.

Whilst such authority would only be used if the board was satisfied that to do so would be in the interests of shareholders, the board considers it desirable to have the general authority in order to maintain compliance with the regulatory capital requirements or targets applicable to the Group.

The Company did not purchase any of its own shares during the financial year. However, the Employee Benefit Trusts purchase the Company's shares from time to time as authorised under the Trust Deeds in respect of awards granted under the Company's employee share schemes.

Substantial shareholders

As at 13 December 2023, the Company had been notified of the following interests in 3% or more of the Company's issued ordinary share capital disclosed to the Company under Rule DTR 5. The information provided below was correct as at the date of notification. It should be noted that these holdings are likely to have changed since being notified to the Company. However, notification of any change is not required until the next applicable threshold is crossed.

SHAREHOLDER	NATURE OF HOLDING	NUMBER OF ORDINARY SHARES AT 30 SEPTEMBER 2023	% OF VOTING RIGHTS AT 30 SEPTEMBER 2023	NUMBER OF ORDINARY SHARES AT 13 DECEMBER 2023	% OF VOTING RIGHTS AT 13 DECEMBER 2023
Michael Howard	Direct	25,911,753	7.82%	25,911,753	7.82%
	Indirect	6,088,247	1.84%	6,088,247	1.84%
BlackRock Inc.	Indirect	24,634,941	7.43%	21,651,470	6.53%
	Securities Lending	121,115	0.03%	570,804	0.17%
	Contracts for difference	2,147,909	0.64%	2,169,066	0.65%
Liontrust Investment Partners LLP	Direct	16,910,112	5.10%	16,910,112	5.10%
Montanaro Asset Management Limited	Direct	10,040,000	3.03%	10,040,000	3.03%

The percentage provided was correct at the date of notification.

The interests of the directors, and any persons closely associated, in the issued share capital of the Company are shown on page 141.

Directors' interests

Save for the shareholding details set out in the Directors' Remuneration Report, there has been no change to the interests of any of the directors or their Persons Closely Associated during the financial year.

Dividends

In FY23, the Company paid two interim dividends. Both dividends were paid by reference to the Company's issued and allotted share capital on the record date.

An interim dividend of 7.0 pence per share - £23.2 million - was paid on 27 January 2023.

An interim dividend of 3.2 pence per share - £10.6 million - was paid on 30 June 2023.

An interim dividend of 7.0 pence per share - £ 23.2 million - has been declared by the board and will be paid in January 2024.

The Trustees of the EBTs have each waived dividends on shares declared in the Company shares held by those trusts and the Trustees of the SIP have waived dividends on unallocated shares in the Company shares held by it.

Employee information and engagement

The Company has no employees (FY22: nil), but the Group had 649 employees at year end (FY22: 595). The Group continues to promote a culture whereby employees are encouraged to develop and to contribute to the overall aims of the business.

The Company has considered the requirements of s.172 of the Companies Act on page 80, to ensure that the interests of employees are considered by the board in discussions and decision making, and the associated provisions of the 2018 Corporate Governance Code regarding the method of engagement with the workforce. Details of how the Company has engaged with its employees are outlined on page 82 of the Governance Report and in the Responsible Business section on page 45.

Significant agreements and change of control

All the Company's share plans contain provisions relating to a change of control. In the event of a change of control, outstanding awards and options may be lapsed and replaced with equivalent awards over shares in the new company, subject to the Remuneration Committee's discretion.

Engagement with suppliers

The Group monitors its relationships with key suppliers and relationship meetings are held with suppliers of critical business services. The Group monitors its payment performance with suppliers and further details are set out in the Stakeholder Engagement section on page 85 above.

Articles of Association

The Articles of Association may be amended by special resolution of the shareholders.

Emissions

For commentary on emissions, please see the TCFD section on page 42.

Political donations

The Group does not make political donations.

Employment of disabled people

The Company's policy regarding employment, training, career development and promotion of disabled employees, and employees who become disabled whilst in employment, is to make reasonable adjustments as required.

Post year end events

As detailed in note 34, there were no reportable events after the reporting date, apart from the declaration of the second interim dividend (FY22: none, apart from the declaration of the second interim dividend).

Disclosure of information to external auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- So far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- The director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given in accordance with the provisions of section 418 of the Companies Act 2006.

Auditor

Resolutions to reappoint EY as external auditor of the Company and to authorise the Audit and Risk Committee to determine its remuneration will be proposed at the AGM to be held on 29 February 2024.

2024 AGM

The AGM will be held in person at the Company's headquarters in London on 29 February 2024. Details of the resolutions to be proposed at the AGM are set out in the separate circular which has been sent to all shareholders and is available on the Company's website at ***https://www.integrafin.co.uk/shareholder-information/***.

By order of the board,

Alexander Scott
Chief Executive Officer

13 December 2023

STATEMENT ON DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual report and financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Group and parent Company financial statements in accordance with UK-adopted international accounting standards (IFRSs). 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 the Company and of the profit or loss of the Group and the Company for that period.

In preparing these financial statements the directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group and Company financial position and financial performance;
- in respect of the Group financial statements, state whether IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements;
- in respect of the parent Company financial statements, state whether IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and/ or the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and Group's transactions and disclose with reasonable accuracy, at any time, the financial position of the Company and the Group and enable them to ensure that the Company and the Group financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report, directors' report, directors' remuneration report and corporate governance statement that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Directors' responsibilities pursuant to DTR4

The directors confirm, to the best of their knowledge:

- that the consolidated financial statements, prepared in accordance with IFRSs give a true and fair view of the assets, liabilities, financial position and profit of the parent Company and undertakings included in the consolidation taken as a whole;

- that the annual report, including the strategic report, includes a fair review of the development and performance of the business and the position of the Company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and

- that they consider the annual report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

By order of the board,

Helen Wakeford
Company Secretary

13 December 2023

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTEGRAFIN HOLDINGS PLC

Opinion

In our opinion:

- IntegraFin Holdings plc's Group financial statements and Parent Company financial statements (the 'financial statements') give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 September 2023. and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards as applied in accordance with section 408 of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of IntegraFin Holdings plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 September 2023 which comprise:

GROUP	PARENT COMPANY
Consolidated Statement of Comprehensive Income for the year ended 30 September 2023	Company Statement of Financial Position as at 30 September 2023
Consolidated Statement of Financial Position as at 30 September 2023	Company Statement of Cash Flows for the year ended 30 September 2023
Consolidated statement of Cash Flows for the year ended 30 September 2023	Company Statement of Changes in Equity for the year ended 30 September 2023
Consolidated Statement of Changes in Equity for the year ended 30 September 2023	Notes 1 to 36 to the financial statements
Notes 1 to 36 to the financial statements	

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and as regards the Parent Company financial statements, as applied in accordance with section 408 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent Company and we remain independent of the Group and the Parent Company in conducting the audit.

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. Our evaluation of the Directors' assessment of the Group and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- obtaining an understanding of the Directors' going concern assessment process and obtaining the Directors' going concern assessment covering the period 12 months from the date of authorisation of the financial statements;
- assessing and challenging the assumptions used in management's forecast and determining the model are appropriate to enable the Directors to make an assessment on the going concern;
- testing the clerical accuracy of the model;
- evaluating the capital and liquidity position of the Group;
- assessing the appropriateness of the stress and reverse stress test scenarios that consider the key risks identified by management. We evaluated management's analysis by testing the clerical accuracy and challenging the conclusions reached in the stress and reverse stress test scenarios;
- performing enquiries of management and those charged with governance to identify risks or events that may impact the Group's ability to continue as a going concern. We also reviewed the management paper presented to the board, minutes of meetings of the board and regulatory correspondence; and
- assessing the appropriateness of the going concern disclosures by comparing the consistency with the Directors' assessment and for compliance with the relevant reporting requirements.

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 and Parent Company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

In relation to the Group and Parent Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	• We performed an audit of the complete financial information of seven components and audit procedures on specific balances for a further one components. • The components where we performed full or specific audit procedures accounted for 100% of Profit on ordinary activities before taxation attributable to shareholders, 100% of Revenue and 98% of Total assets.
Key audit matters	• Recognition of revenue.
Materiality	• Overall Group materiality of £3.1m which represents 5% of profit on ordinary activities before taxation attributable to shareholders.

An overview of the scope of the Parent Company and Group audits

Tailoring the scope

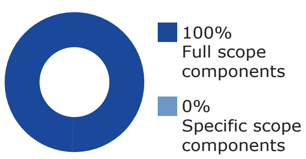
Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the Group and effectiveness of Group-wide controls, changes in the business environment, the potential impact of climate change and other factors such as recent Internal audit results when assessing the level of work to be performed at each company.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, we selected eight components covering entities within the United Kingdom, Isle of Man and Australia.

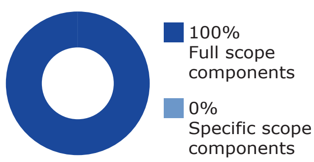
Of the eight components selected, we performed an audit of the complete financial information of seven components ('full scope components') which were selected based on their size or risk characteristics. For the remaining one components ('specific scope components'), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

The charts below illustrate the coverage obtained from the work performed by our audit teams.

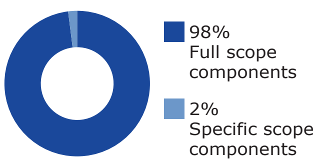
Profit on ordinary activities before taxation attributable to shareholders



Revenue



Total assets



Involvement with component teams

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team, or by component auditors from other EY global network firms operating under our instruction.

Of the seven full scope components, audit procedures were performed on one of these by both the primary audit team and component audit team based on where the procedures were performed from a client perspective. For the remaining six components all procedures were performed by the primary team.

The primary team interacted regularly with the component teams where appropriate during various stages of the audit, reviewed relevant working papers and were responsible for the scope and direction of the audit process. This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

Climate change

There has been increasing interest from stakeholders as to how climate change will impact the Group. The Group has considered the physical and transition risks from climate change and has identified this as an emerging risk, but has concluded that these do not currently pose a material risk to the Group, as described in note 1 to the financial statements on page 175. Climate change risk is further assessed on pages 23 to 44 in the Task Force for Climate related Financial Disclosures and on page 66 in the principal risks and uncertainties, which form part of the "Other information," rather than the audited financial statements. Our procedures on these disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated.

Our audit effort in considering climate change was focused on evaluating management's assessment of the impact of physical and transition risk, and management's resulting conclusion that there was no material impact from climate change on the recognition and measurement of the assets and liabilities in these financial statements as at 30 September 2023 and the adequacy of the Group's disclosures in the financial statements which explains the rationale. We also challenged the Directors' considerations of climate change in their assessment of going concern and viability and associated disclosures.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk

Recognition of revenue (£134.9 million, 2022: £133.6 million)

Refer to the accounting policies (pages 178 to 179); and Note 5 of the Consolidated Financial Statements (page 200)

Revenue is material to the Group and is a key focus of stakeholders. As disclosed in note 5 of the financial statements, the Group categorise revenue into five sub-categories:

- Annual commission income (£116.1m, PY £115.98m) is charged for the administration of products on the Transact platform.
- Wrapper fee income (£12.3m, PY £11.6m) is charged for each of the tax wrappers held by clients.
- Advisor back-office technology (comprising license income and consultancy income) (£4.8m, PY £4.0m) is the rental charge for use of access to T4A's CRM software and the charge for consultancy services provided by T4A.
- Other income (£1.7m, PY £2.2m) are charges levied on the acquisition of assets which comprises buy commissions and dealing charges.

Annual commission income, wrapper fee income and other income account for 96% of total fee income. These revenues are automatically calculated by the Integrated Administration System ('IAS') IT platform. There is a risk therefore that revenue may be misstated due to failure or manipulation of the calculation methodology within IAS.

The principal data inputs into the automated fee calculations include the quantity and pricing of underlying positions and commission percentages.

There is therefore a risk that revenue may be materially misstated due to errors in the underlying data inputs into IAS.

There is also the risk that stakeholder expectations place pressure on management to manipulate the recognition of revenue. This may result in an overstatement of revenue to meet targets and expectations.

In relation to License and Consultancy Income there is a risk that revenue is not recognised in line with the terms of the underlying contracts and agreements.

Our response to the risk

For all material revenue streams, we have:

- confirmed and updated our understanding of the procedures and controls in place throughout the revenue process at the Group through walkthrough procedures; and
- performed enquiries of management and performed journal entry testing in order to address the risk of management override.

In the prior year audit we identified design deficiencies in relation to IT General Controls. These deficiencies were remediated by management during the current year and we concluded the IT General Controls were designed effectively from the point of remediation.

As the IT General Controls were not considered to be effective for the full year, we performed additional tests of detail and tests over information prepared in respect of the functionality of the IAS system and the accuracy of the inputs to the system.

Our testing of annual commissions, wrapper fee income and buy commissions income was split into two elements:

1. Testing to address the risk of failure or manipulation within the calculation. We have:

- recalculated all revenue sub-categories (annual commissions, buy commissions and wrapper fees) using the criteria and logic per the underlying agreements with investors;
- performed a variance analysis between the EY recalculated revenue balance per each sub-category and the amounts per the general ledger, investigating any material differences;
- performed completeness checks between the IAS reports and general ledger; and
- on a sample basis, reperformed calculations that are automatically performed in IAS and form part of the inputs into the revenue calculations. For example, the daily average value of the portfolio which forms part of the annual commission calculation.

2. Testing to address the risk of data inputs being incorrect. On a sample basis, we have:

- agreed inputs to the underlying agreements for onboarding clients onto the platform;
- agreed the fee terms used in the revenue calculation to the published Transact Commission and Charges Schedule;
- for annual commissions recalculated the average portfolio value used within the fee calculations based on the daily pricing per IAS;
- for annual commissions, agreed the quantity of positions per portfolio back to the custodian statements per IAS;
- agreed fees paid back to bank statements; and
- as part of cut off testing, performed analytical reviews over pre year end and post year end journals to ensure these relate to the correct period by agreeing to IAS reports.

For licence income, consultancy income and other income, on a sample basis we have:

- agreed the fee terms used in the calculation to agreements; and
- agreed the fees to underlying agreements and invoices and vouched balances to the bank statements.

Key observations communicated to the Audit and Risk Committee

Based on the procedures performed, we have no matters to report in respect of revenue recognition.

In the prior year, our auditor's report included the following key audit matters which we do not consider to be key audit matters for the 2023 audit:

- 'Valuation of assets held for the benefit of the policyholders to cover unit-linked liabilities' due to the low quantum of level 3 investments;
- 'Impairment of goodwill and intangibles in Group and investments in subsidiaries in Parent Company' due to the significant headroom available; and
- 'First year audit transition' which is no longer applicable for the current year.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £3.1 million (2022: £3.1 million), which is 5% (2022: 5%) of profit on ordinary activities before taxation attributable to shareholders. We believe that profit on ordinary activities before taxation attributable to shareholders is the most relevant performance measure to the stakeholders of the Group.

We determined materiality for the Parent Company to be £0.58 million (2022: £0.63 million), which is 1% (2022: 1%) of net assets. The Parent Company primarily holds the investments in Group entities and, therefore, net assets is considered to be the key focus for users of the financial statements.

During the course of our audit, we reassessed initial materiality based on 30 September 2023 financial statement amounts and adjusted our audit procedures accordingly.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2022: 50%) of our planning materiality, namely £2.3 million (2022: £1.5 million). We have set performance materiality at 75% due to a lower expectation of misstatement following our first year audit.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.15 million (2022: £0.15 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the Annual Report, including the Strategic Report, Governance Report and Other Information sections, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the 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, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or 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 Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements and the part of the Directors' Remuneration Report to be audited 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.

Corporate Governance Statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group and Parent Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 69;
- Directors' explanation as to its assessment of the Parent Company's prospects, the period this assessment covers and why the period is appropriate set out on page 71;
- Director's statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on page 71;
- Directors' statement on fair, balanced and understandable set out on page 151;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 68;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on page 101; and
- The section describing the work of the Audit and Risk Committee set out on page 97.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 150, 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 and Parent 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 Parent 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Parent Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are those that relate to the reporting framework (UK-adopted international accounting standards, the Companies Act 2006 and UK Corporate Governance Code) and relevant tax compliance regulations. In addition, we concluded that there are certain significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements being the Listing Rules and relevant Prudential Regulation Authority ('PRA') and Financial Conduct Authority ('FCA') rules and regulations.

- We understood how IntegraFin Holdings plc is complying with those frameworks by making enquiries of management, internal audit, those responsible for legal and compliance matters and those charged with Governance. We also reviewed correspondences between the Parent Company and UK regulatory bodies; reviewed minutes of the Board, and the Audit and Risk Committee; and gained understanding of the Group's approach to governance framework.

- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where they considered there was susceptibility to fraud. We have considered performance targets and their potential influence on efforts made by management to manage or influence the perceptions of analysts. We considered the controls that the Group has established to address risks identified, or that otherwise prevent, deter and detect fraud, including in a remote-working environment and how senior management monitors these controls. We also considered areas of significant judgements, complex transactions and economic or external pressures and the impact these have on the control environment. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk.

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business; enquiries of senior management and the Group's legal adviser, including those at full and specific scope; and focused testing, as referred to in the key audit matters section above. We also enquired about the policies that have been established to prevent non-compliance with laws and regulations by officer and employees and the Parent Company's methods of enforcing and monitoring compliance with such policies. We inspected significant correspondence with the PRA and FCA.

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/auditorsresponsibilities***. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation from the audit committee, we were appointed by the Parent Company on 24 February 2022 to audit the financial statements for the year ending 30 September 2022 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is two years, covering the years ending 30 September 2022 to 30 September 2023.
- The audit opinion is consistent with the additional report to the Audit and Risk Committee.

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Gaylor (Senior statutory auditor)

for and on behalf of Ernst & Young LLP,
Statutory Auditor

London
13 December 2023


taxi

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	2023	2022
		£m	£m
Revenue	5	134.9	133.6
Cost of sales		(3.9)	(2.1)
Gross profit		**131.0**	**131.5**
Expenses			
Administrative expenses	8	(74.6)	(77.7)
Expected credit losses on financial assets	16, 22	(0.1)	(0.2)
Operating profit		**56.3**	**53.6**
Interest income	9	6.4	0.8
Interest expense	25	(0.1)	(0.1)
Net policyholder returns			
Net income/(loss) attributable to policyholder returns		12.1	(38.5)
Change in investment contract liabilities		(1,056.0)	2,770.3
Fee and commission expenses	18	(193.3)	(192.6)
Policyholder investment returns	10	1,249.3	(2,577.7)
Net policyholder returns		12.1	(38.5)
Profit on ordinary activities before taxation attributable to policyholders and shareholders		**74.7**	**15.8**
Policyholder tax (charge)/credit		(12.1)	38.5
Profit on ordinary activities before taxation attributable to shareholders		**62.6**	**54.3**
Total tax attributable to shareholder and policyholder returns	11	(24.8)	28.2
Less: tax attributable to policyholder returns		12.1	(38.5)
Shareholder tax on profit on ordinary activities		**(12.7)**	**(10.3)**
Profit for the financial year		**49.9**	**44.0**
Other comprehensive (loss)/income			
Exchange (losses)/gains arising on translation of foreign operations		(0.1)	0.1
Total other comprehensive (losses)/income for the financial year		**(0.1)**	**0.1**
Total comprehensive income for the financial year		**49.8**	**44.1**
Earnings per share			
Earnings per share – basic	7	15.1p	13.3p
Earnings per share – diluted	7	15.1p	13.3p

All activities of the Group are classed as continuing.

Notes 1 to 36 form part of these Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	2023	2022
		£m	£m
Non-current assets			
Loans receivable	**16**	6.3	5.5
Intangible assets	**12**	21.4	21.8
Property, plant and equipment	**13**	1.1	1.2
Right-of-use assets	**14**	1.0	2.1
Deferred tax asset	**26**	0.7	6.0
		30.5	**36.6**
Current assets			
Investments	**21**	22.4	3.1
Prepayments and accrued income	**22**	17.2	17.2
Trade and other receivables	**23**	3.6	2.0
Current tax asset		14.3	15.0
Cash and cash equivalents	**19**	177.9	183.0
		235.4	**220.3**
Current liabilities			
Trade and other payables	**24**	19.5	21.5
Provisions	**27**	7.7	10.7
Lease liabilities	**25**	0.3	1.9
		27.5	**34.1**
Non-current liabilities			
Provisions	**27**	40.5	46.1
Contingent consideration	**28**	-	1.7
Lease liabilities	**25**	0.8	0.9
Deferred tax liabilities	**26**	7.2	0.9
		48.5	**49.6**
Policyholder assets and liabilities[1]			
Cash held for the benefit of policyholders	**20**	1,419.2	1,458.6
Investments held for the benefit of policyholders	**17**	23,021.7	20,715.8
Liabilities for linked investment contracts	**18**	(24,440.9)	(22,174.4)
		-	**-**
Net assets		**189.9**	**173.2**

	Note	2023	2022
		£m	£m
Equity			
Called up equity share capital		3.3	3.3
Share-based payment reserve	**29**	3.4	2.6
Employee Benefit Trust reserve	**30**	(2.6)	(2.4)
Foreign exchange reserve	**31**	(0.1)	-
Non-distributable reserves	**31**	5.7	5.7
Retained earnings		180.2	164.0
Total equity		**189.9**	**173.2**

These Financial Statements were approved by the Board of Directors on 13 December 2023 and are signed on their behalf by:

Alexander Scott
Director

Company Registration Number: 08860879

Notes 1 to 36 form part of these Financial Statements.

COMPANY STATEMENT OF FINANCIAL POSITION

	Note	2023 £m	2022 £m
Non-current assets			
Investment in subsidiaries	**15**	35.3	33.3
Loans receivable	**16**	6.3	5.5
		41.6	**38.8**
Current assets			
Prepayments	**22**	-	0.1
Trade and other receivables	**23**	0.1	0.2
Cash and cash equivalents		26.0	33.1
		26.1	**33.4**
Current liabilities			
Trade and other payables	**24**	2.5	2.4
Loans payable	**16**	1.0	1.0
		3.5	**3.4**
Non-current liabilities			
Contingent consideration	**28**	-	1.7
Loans payable	**16**	6.0	7.0
		6.0	**8.7**
Net assets		**58.2**	**60.1**
Equity			
Called up equity share capital		3.3	3.3
Share-based payment reserve	**29**	2.7	2.2
Employee Benefit Trust reserve	**30**	(2.4)	(2.1)
Profit or loss account			
Brought forward retained earnings		56.7	50.7
Profit for the year		31.6	39.8
Dividends paid in the year		(33.7)	(33.8)
Profit or loss account		54.6	56.7
Total equity		**58.2**	**60.1**

The Company has taken advantage of the exemption in section 408 (3) of the Companies Act 2006 not to present its own income statement in these Financial Statements.

These Financial Statements were approved by the Board of Directors on 13 December 2023 and are signed on their behalf by:

Alexander Scott
Director

Company Registration Number: 08860879

Notes 1 to 36 form part of these Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	2023 £m	RESTATED 2022 £m
Cash flows from operating activities		
Profit on ordinary activities before taxation attributable to policyholders and shareholders	74.7	15.8
Adjustments for income statement non-cash movements:		
Amortisation and depreciation	2.5	3.0
Share-based payment charge	2.1	2.0
Interest charged on lease	0.1	0.1
(Decrease)/increase in contingent consideration	(1.7)	0.9
(Decrease)/increase in provisions	(8.6)	38.5
Adjustments for cash effecting investing and financing activities:		
Interest on cash and loans	(6.4)	(0.8)
Adjustments for statement of financial position movements:		
(Increase)/decrease in trade and other receivables, and prepayments and accrued income	(1.6)	0.5
(Decrease)/increase in trade and other payables	(2.0)	4.0
Adjustments for policyholder balances:		
(Increase)/decrease in investments held for the benefit of policyholders	(2,305.9)	1,071.3
Increase/(decrease) in liabilities for linked investment contracts	2,266.5	(879.0)
Increase/(decrease) in policyholder tax recoverable	10.0	(6.0)
Cash generated from operations	**29.7**	**250.3**
Income taxes paid	(22.4)	(13.5)
Interest paid on lease liabilities	(0.1)	(0.1)
Net cash flows generated from operating activities	**7.2**	**236.7**
Investing activities		
Acquisition of property, plant and equipment	(0.7)	(0.3)
Purchase of financial instruments	(22.3)	(3.0)
Redemption of financial instruments	3.0	5.0
Increase in loans	(0.8)	(2.1)
Interest on cash and loans	6.4	0.8
Net cash generated from/(used in) investing activities	**(14.4)**	**0.4**

	2023 £m	RESTATED 2022 £m
Financing activities		
Purchase of own shares in Employee Benefit Trust	(0.4)	(0.5)
Purchase of shares for share scheme awards	(1.1)	(1.3)
Equity dividends paid	(33.7)	(33.7)
Payment of principal portion of lease liabilities	(1.9)	(2.4)
Net cash used in financing activities	**(37.1)**	**(37.9)**
Net (decrease)/increase in cash and cash equivalents	**(44.3)**	**199.2**
Cash and cash equivalents at beginning of year	**1,641.6**	**1,442.4**
Exchange losses on cash and cash equivalents	(0.1)	-
Cash and cash equivalents at end of year	**1,597.1**	**1,641.6**
Cash and cash equivalents consist of:		
Cash and cash equivalents	177.9	183.0
Cash held for the benefit of policyholders	1,419.2	1,458.6
Cash and cash equivalents	**1,597.1**	**1,641.6**

Notes 1 to 36 form part of these Financial Statements.

See note 36 for details on 2022 restated balances.

COMPANY STATEMENT OF CASH FLOWS

	2023 £'000	RESTATED 2022 £'000
Cash flows from operating activities		
Loss before interest and dividends	(2.0)	(4.9)
Adjustments for non-cash movements:		
(Decrease)/increase in contingent consideration	(1.7)	0.9
Adjustment for statement of financial position movements:		
Decrease/(increase) in trade and other receivables	0.2	(0.2)
Increase in trade and other payables	0.1	-
Net cash flows used in operating activities	**(3.4)**	**(4.2)**
Investing activities		
Dividends received	33.3	45.0
Interest received	0.9	0.2
Increase in loans receivable	(0.8)	(2.0)
Net cash generated from investing activities	**33.4**	**43.2**
Financing activities		
Purchase of own shares in Employee Benefit Trust	(0.3)	(0.5)
Purchase of shares for share scheme awards	(1.3)	(1.3)
Repayment of loans	(1.0)	(1.0)
Interest expense on loans	(0.6)	(0.2)
Equity dividends paid	(33.7)	(33.8)
Net cash used in financing activities	**(37.1)**	**(36.8)**
Net (decrease)/increase in cash and cash equivalents	**(7.1)**	**2.2**
Cash and cash equivalents at beginning of year	**33.1**	**30.9**
Cash and cash equivalents at end of year	**26.0**	**33.1**

Notes 1 to 36 form part of these Financial Statements.

See note 36 for details on 2022 restated balances.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	CALLED UP EQUITY SHARE CAPITAL	NON-DISTRIBUTABLE INSURANCE AND FOREIGN EXCHANGE RESERVES	SHARE-BASED PAYMENT RESERVE	EMPLOYEE BENEFIT TRUST RESERVE	RETAINED EARNINGS	TOTAL EQUITY
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
Balance at 1 October 2021						
Comprehensive income for the year:	**3.3**	**6.2**	**2.4**	**(2.1)**	**153.5**	**163.3**
Profit for the year	-	-	-	-	44.0	44.0
Movement in currency translation	-	0.1	-	-	-	0.1
Total comprehensive income for the year	**-**	**0.1**	**-**	**-**	**44.0**	**44.1**
Share-based payment expense	-	-	2.0	-	-	2.0
Settlement of share based payment	-	-	(1.5)	-	-	(1.5)
Purchase of own shares in EBT	-	-	-	(0.5)	-	(0.5)
Excess tax relief charged to equity	-	-	(0.3)	-	-	(0.3)
Exercised share options	-	-	-	0.2	(0.2)	-
Release of actuarial reserve	-	(0.5)	-	-	0.5	-
Other movement	-	(0.1)	-	-	(0.1)	(0.2)
Distributions to owners - Dividends paid	**-**	**-**	**-**	**-**	**(33.7)**	**(33.7)**
Balance at 30 September 2022	**3.3**	**5.7**	**2.6**	**(2.4)**	**164.0**	**173.2**
Comprehensive income for the year:	**3.3**	**5.7**	**2.6**	**(2.4)**	**164.0**	**173.2**
Profit for the year	-	-	-	-	49.9	49.9
Movement in currency translation	-	(0.1)	-	-	-	(0.1)
Total comprehensive income for the year	**-**	**(0.1)**	**-**	**-**	**49.9**	**49.8**
Share-based payment expense	-	-	2.1	-	-	2.1
Settlement of share based payment	-	-	(1.5)	-	-	(1.5)
Purchase of own shares in EBT	-	-	-	(0.4)	-	(0.4)
Excess tax relief charged to equity	-	-	0.2	-	-	0.2
Exercised share options	-	-	-	0.2	-	0.2
Distributions to owners - Dividends paid	**-**	**-**	**-**	**-**	**(33.7)**	**(33.7)**
Balance at 30 September 2023	**3.3**	**5.6**	**3.4**	**(2.6)**	**180.2**	**189.9**

Notes 1 to 36 form part of these Financial Statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

	CALLED UP EQUITY SHARE CAPITAL	SHARE-BASED PAYMENT RESERVE	EMPLOYEE BENEFIT TRUST RESERVE	RETAINED EARNINGS	TOTAL EQUITY
	£m	**£m**	**£m**	**£m**	**£m**
Balance at 1 October 2021					
Comprehensive income for the year:	**3.3**	**1.7**	**(1.8)**	**50.7**	**53.9**
Profit for the year	-	-	-	39.8	39.8
Total comprehensive income for the year	**-**	**-**	**-**	**39.8**	**39.8**
Share-based payment expense	-	2.0	-	-	2.0
Settlement of share-based payments	-	(1.5)	-	-	(1.5)
Purchase of own shares in EBT	-	-	(0.3)	-	(0.3)
Distributions to owners - dividends	**-**	**-**	**-**	**(33.8)**	**(33.8)**
Balance at 30 September 2022	**3.3**	**2.2**	**(2.1)**	**56.7**	**60.1**
Comprehensive income for the year:					
Profit for the year	-	-	-	31.6	31.6
Total comprehensive income for the year	**-**	**-**	**-**	**31.6**	**31.6**
Share-based payment expense	-	1.9	-	-	1.9
Settlement of share-based payments	-	(1.4)	-	-	(1.4)
Purchase of own shares in EBT	-	-	(0.3)	-	(0.3)
Distributions to owners - dividends	**-**	**-**	**-**	**(33.7)**	**(33.7)**
Balance at 30 September 2023	**3.3**	**2.7**	**(2.4)**	**54.6**	**58.2**

Notes 1 to 36 form part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation and significant accounting policies

General information

IntegraFin Holdings plc (the "Company"), a public limited Company incorporated and domiciled in the United Kingdom ("UK"), along with its subsidiaries (collectively the "Group"), offers a range of services which are designed to help financial advisers and their clients to manage financial plans in a simple, effective and tax efficient way.

The registered office address, and principal place of business, is 29 Clement's Lane, London, EC4N 7AE.

A) BASIS OF PREPARATION

The consolidated Financial Statements have been prepared and approved by the directors in accordance with IFRSs.

The Financial Statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments, which are stated at their fair value, have been prepared in pound sterling, which is the functional currency of the Company and are rounded to the nearest thousand.

Climate risks have been considered where appropriate in the preparation of these Financial Statements, with particular consideration given to the impact of climate risk on the fair value calculations and impairment assessments. This has concluded that the impact of climate risk on the financial statements is not material.

Going concern

The financial statements have been prepared on a going concern basis, following an assessment by the board.

Going concern is assessed over the 12-month period from when the Annual Report is approved, and the board has concluded that the Group has adequate resources, liquidity and capital to continue in operational existence for the next 12 months. This is supported by:

- The current financial position of the Group:
  - The Group maintains a conservative balance sheet and manages and monitors solvency and liquidity on an ongoing basis, ensuring that it always has sufficient financial resources for the foreseeable future.
  - As at 30 September 2023, the Group had £177.9 million of shareholder cash on the statement of financial position, demonstrating that liquidity remains strong.
- Detailed cash flow and working capital projections; and
- Stress-testing of liquidity, profitability and regulatory capital, taking account of possible adverse changes in trading performance.

When making this assessment, the board has taken into consideration both the Group's current performance and the future outlook, including the impact of the cost-of-living crisis, sustained levels of high inflation, increasing interest rates and volatile equity markets. The environment has been challenging during the year, but our financial and operational performance has been robust, and the Group's fundamentals remain strong.

1. Basis of preparation and significant accounting policies (continued)

As detailed in the Going Concern and Viability Statement (page 69), stress and scenario testing has been carried out, in order to understand the potential financial impacts of severe, yet plausible, scenarios on the Group. This assessment incorporated a number of stress tests covering a broad range of scenarios, including a cyber attack, system and process failures, and persistent high inflation with continued market uncertainty.

Having conducted detailed cash flow and working capital projections, and stress-tested liquidity, profitability and regulatory capital; taking account of the economic challenges mentioned above; the board is satisfied that the Group is well placed to manage its business risks. The board is also satisfied that it will be able to operate within the regulatory capital limits imposed by the Financial Conduct Authority (FCA), Prudential Regulation Authority (PRA), and Isle Man Financial Services Authority (IoM FSA).

The board has concluded that the Company has adequate resources and there are no material uncertainties to the Company's ability to continue to operate for the foreseeable future, being a period of at least twelve months from the date the financial statements are approved. For this reason, they have adopted the going concern basis for the preparation of the financial statements.

Basis of consolidation

The consolidated Financial Statements incorporate the Financial Statements of the Company and its subsidiaries. Where the Company has control over an investee, it is classified as a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is presumed to exist where the Group owns the majority of the voting rights of an entity. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are deconsolidated from the date that control ceases. Acquisitions are accounted for under the acquisition method. Intercompany transactions, balances, income and expenses, and profits and losses are eliminated on consolidation.

The Financial Statements of all of the wholly owned subsidiary companies are incorporated into the consolidated Financial Statements. Two of these subsidiaries, IntegraLife International Limited (ILInt) and IntegraLife UK Limited (ILUK) issue contracts with the legal form of insurance contracts, but which do not transfer significant insurance risk from the policyholder to the Company, and which are therefore accounted for as investment contracts.

In accordance with IFRS 9, the contracts concerned are therefore reflected in the consolidated statement of financial position as investments held for the benefit of policyholders, and a corresponding liability to policyholders.

1. Basis of preparation and significant accounting policies (continued)

Changes in accounting policies

i) There have been no new standards, amendments to standards or interpretations adopted during the financial year that had a material effect.

ii) Future standards, amendments to standards, and interpretations not yet effective are noted below.

The following amendments are effective for periods beginning on or after 1 January 2023:

IFRS 17 Insurance Contracts

In June 2022, the IASB issued amendments to IFRS 17 which will replace IFRS 4 Insurance Contracts. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the Standard. The Group would be required to provide information that faithfully represents those contracts, such that users of the financial statements can assess the effect insurance contracts have on the entity's financial position, financial performance and cash flows.

The Group has performed an assessment regarding the impact of IFRS 17 on the Financial Statements and, while the insurance companies in the Group do administer insurance business and hold capital relating to the risks associated with this, there is no significant insurance risk in any of the contracts. Therefore all contracts are investment contracts under IFRS 9, and IFRS 17 has no impact.

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

In February 2021, the IASB issued amendments to IAS 1 to assist in determining which accounting policies to disclose, with reference to materiality and how to determine which policies fall into this category. IFRS Practice Statement 2 includes guidance to support this.

The Group has assessed the impact of this amendment and does not note any significant impact.

Definition of Accounting Estimates (Amendments to IAS 8)

In February 2021, the IASB issued amendments to IAS 8 to clarify how to distinguish changes in accounting policies from changes in accounting estimates. That distinction being that changes in accounting estimates are applied prospectively to future transactions and events, but changes in accounting policies are applied retrospectively to past transactions and events.

The Group has assessed the impact of this amendment and does not note any significant impact.

Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

In May 2021, the IASB issued amendments to IAS 12 which will require recognition of deferred taxes on particular transactions which, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

The Group has assessed the impact of this amendment and does not note any significant impact.

Amendments to IAS 12: International Tax Reform Pillar Two Model Rules

Amendments to IAS 12 Income Taxes have been introduced in response to the OECD's BEPS Pillar Two Model Rules. The amendments include a temporary mandatory exception from accounting for deferred taxes arising from the Pillar Two model rules and a requirement to disclose that the exception has been applied immediately and retrospectively. IHP has taken up this exemption for FY23.

The Group is continuing to assess whether it will be in scope of the Pillar Two model Rules. If so, the rules would be expected to apply to the Group from 1 October 2024 and give rise to a financial impact. However, the Group does not anticipate that any tax liabilities that may arise from its overseas operations will be material to the Group, as most of its revenue and profits are generated in the UK and taxed at a rate of 25%.

The following amendments are effective for periods beginning on or after 1 January 2024:

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

In October 2022, the IASB issued amendments to IAS 1 regarding how conditions with which an entity must comply within twelve months after the reporting period, affect the classification of a liability.

The Group has assessed the impact of this amendment and does not note any significant impact.

The following amendments are effective for the period beginning 1 January 2025:

The Effects of Changes in Foreign Exchange Rates (IAS 21)

In August 2023, the IASB issued amendments to IAS 21 to provide guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

The Group has assessed the impact of this amendment and does not note any impact as the only non-Sterling currency in use is Australian Dollars.

No other future standards, amendments to standards, or interpretations are expected to have a material effect on the financial statements.

B) PRINCIPAL ACCOUNTING POLICIES

Revenue from contracts with customers

Revenue represents the fair value of services supplied by the Company. All fee income is recognised as revenue on an accruals basis and in line with the provision of the services.

Fee and commission income is recognised at an amount that reflects the consideration to which the Group expects to be entitled in exchange for providing the services.

The performance obligations, as well as the timing of their satisfaction, are identified, and determined, at the inception of the contract.

When the Group provides a service to its customers, consideration is generally due immediately upon satisfaction of a service provided at a point in time or at the end of the contract period for a service provided over time. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

The Group has discharged all of its obligations in relation to contracts with customers, and the amounts received or receivable from customers equal the amount of revenue recognised on the contracts. All amounts due from customers are therefore recognised as receivables within accrued income, and the Group has no contract assets or liabilities.

Fee income comprises:

Annual commission income

Annual commission is charged for the administration of products on the Transact platform, and is levied monthly in arrears on the average value of assets and cash held on the platform. The value of assets and cash held on the Platform is driven by market movements, inflows, outflows and other factors.

Wrapper fee income

Wrapper fees are charged for each of the tax wrappers held by clients and are levied quarterly in arrears based on fixed fees for each wrapper type.

Annual commission and wrapper fees relate to services provided on an on-going basis, and revenue is therefore recognised on an on-going basis to reflect the nature of the performance obligations being discharged. As the benefit to the customer of the services is transferred evenly over the service period, these fees are recognised as revenue evenly over the period, based on time elapsed.

Accrued income on both annual commission and wrapper fees is recognised as a trade receivable on the statement of financial position, as the Group's right to consideration is conditional on nothing other than the passage of time.

Licence income

Licence income is the rental charge for use of access to T4A's CRM software. The rental charge is billed monthly in advance, based on the number of users. Revenue is recognised in line with the provision of the service.

Consultancy income

Consultancy income relates to consultancy services provided by T4A on an as-needs basis. Revenue is recognised when the services are provided.

Other income

This comprises buy commission and dealing charges. These are charges levied on the acquisition of assets, due upon completion of the transaction. Revenue is recorded on the date of completion of the transaction, as this is the date the services are provided to the customer. As the benefit to the customer of the services is transferred at a point in time, these fees are recognised at the point they are provided.

Interest income

Interest on shareholder cash, policyholder cash, loans and coupon on shareholder gilts are the sources of interest income received. These are recognised in the Consolidated Statement of Comprehensive Income in interest income and within policyholder returns. Under IFRS 9, interest income is recorded using the effective interest method for all financial assets measured at amortised cost and is recognised in the Consolidated Statement of Comprehensive Income.

Cost of sales

Cost of sales relate to costs directly attributable to the supply of services provided to the Group and are recognised in the Consolidated Statement of Comprehensive Income on an accruals basis.

Administrative expenses

Administration expenses relate to overhead costs and are recognised in the Consolidated Statement of Comprehensive Income on an accruals basis.

Fee and commission expenses

Fee and commission expenses are paid by ILUK and ILInt policyholders to their financial advisers. Expenses comprise annual commission which is levied monthly in arrears on the average value of assets and cash held on the platform in the month and upfront fees charged on new premiums on the platform.

Investments

Fixed asset investments in subsidiaries are stated at cost less any provision for impairment.

Other investments comprise UK Government gilts held as shareholder investments. The Group held a gilt in the prior year that matured in the current year, which was held at fair value through profit or loss as it fell under the 'other' business model, and was stated at quoted bid price which equates to fair value, with any resultant gain or loss recognised in profit or loss.

New gilts were acquired in the current financial year, which were assessed upon purchase and deemed to meet the criteria to classify as amortised cost under IFRS 9 Financial Instruments, namely:

- they are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and,
- the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investment contracts – investments held for the benefit of policyholders

Investment contracts held for the benefit of policy holders are comprised of unit-linked contracts. Investments held for the benefit of policyholders are stated at fair value and reported on a separate line in the statement of financial position, see accounting policy on financial instruments for fair value determination. Investment contracts result in financial liabilities whose fair value is dependent on the fair value of underlying financial assets. They are designated at inception as financial liabilities at 'fair value through profit or loss' in order to reduce an accounting mismatch with the underlying financial assets. Gains and losses arising from changes in fair value are presented in the Consolidated Statement of Comprehensive Income within "Policyholder investment returns".

Investment inflows received from policyholders are invested in funds selected by the policyholders. The resulting liabilities for linked investment contracts are accounted for under the 'fair value through profit or loss' option, in line with the corresponding assets as permitted by IFRS 9.

As all investments held for the benefit of policyholders are matched entirely by corresponding linked liabilities, any gain or loss on assets recognised through the Consolidated Statement of Comprehensive Income are offset entirely by the gains and losses on linked liabilities, which are recognised within the "change in investment contract liabilities" line. The overall net impact on profit is therefore £nil.

Investment contracts are measured at fair value using quoted mid prices that are available at the reporting date and are traded in active markets. Where this is not available, valuation techniques are used to establish the fair value at inception and each reporting date. The Company's main valuation techniques incorporate all factors that market participants would consider and are based on observable market data. The financial liability is measured both initially and subsequently at fair value. The fair value of a unit-linked financial liability is determined using the fair value of the financial assets contained within the funds linked to the financial liability.

Dividends

Equity dividends paid are recognised in the accounting period in which the dividends are declared and approved.

Intangible non-current assets

Intangible non-current assets, excluding goodwill, are stated at cost less accumulated amortisation and comprise intellectual property software rights. The software rights were amortised over seven years on a straight line basis, as it was estimated that the software would be rewritten every seven years, and therefore have a finite useful life. The software rights are now fully amortised, but due to ongoing system development and coding updates no replacement is required.

Goodwill is held at cost and, in accordance with IFRS, is not amortised but is subject to annual impairment reviews.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. Repairs and maintenance costs are charged to the Consolidated Statement of Comprehensive Income during the period in which they are incurred.

The major categories of property, plant, equipment are depreciated as follows:

ASSET CLASS	ALL UK AND ISLE OF MAN ENTITIES	AUSTRALIAN ENTITY
Leasehold improvements	Straight line over the life of the lease	Straight line over 40 years
Fixtures & fittings	Straight line over 10 years	Straight line over 10 years
Equipment	Straight line over 3 to 10 years	Straight line over 3 years
Motor vehicles	N/A	25% reducing balance

Residual values, method of depreciation and useful lives of the assets are reviewed annually and adjusted if appropriate.

Goodwill and goodwill impairment

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the identifiable net assets of the acquired entity at the date of acquisition. Goodwill is recognised as an asset at cost at the date when control is achieved and is subsequently measured at cost less any accumulated impairment losses.

Goodwill is allocated to one or more cash generating units (CGUs) expected to benefit from the synergies of the combination, where the CGU represents the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. Goodwill is reviewed for impairment at least once annually, and also whenever circumstances or events indicate there may be uncertainty over this value. The impairment assessment compares the carrying value of goodwill to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment loss is recognised immediately in the Consolidated Statement of Comprehensive Income and is not subsequently reversed.

Intangible assets acquired as part of a business combination

Intangible assets acquired as part of a business combination are recognised where they are separately identifiable and can be measured reliably.

Acquired intangible assets consist of contractual customer relationships, software and brand. These items are capitalised at their fair value, which are based on either the 'Relief from Royalty' valuation methodology or the 'Multi-period Excess Earnings Method', as appropriate for each asset. Subsequent to initial recognition, acquired intangible assets are measured at cost less accumulated amortisation and any recognised impairment losses.

Amortisation is recognised in the consolidated statement of comprehensive income within administration expenses on a straight line basis over the estimated useful lives of the assets, which are as follows:

ASSET CLASS	USEFUL LIFE
Customer relationships	15 years
Software	7 years
Brand	10 years

The method of amortisation and useful lives of the assets are reviewed annually and adjusted if appropriate.

Impairment of non-financial assets

Property, plant and equipment, right-of-use assets and intangible assets are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset).

The Group evaluates impairment losses for potential reversals when events or circumstances warrant such consideration.

Goodwill is tested for impairment annually, and once an impairment is recognised this cannot be reversed. For more detailed information in relation to this, please see note 12.

Pensions

The Group makes defined contributions to the personal pension schemes of its employees. These are chargeable to Consolidated Statement of Comprehensive Income in the year in which they become payable.

Foreign currencies

Transactions in foreign currencies are translated into the functional currency at the exchange rate in effect at the date of the transaction. Foreign currency monetary assets and liabilities are translated to sterling at the year end closing rate. Foreign exchange rate differences that arise are reported net in the Consolidated Statement of Comprehensive Income as foreign exchange gains/losses.

The assets and liabilities of foreign operations are translated to sterling using the year end closing exchange rate. The revenues and expenses of foreign operations are retranslated to sterling at rates approximating the foreign exchange rates ruling at the relevant month of the transactions. Foreign exchange differences arising on retranslation are recognised directly in the reserves.

1. Basis of preparation and significant accounting policies (continued)

Taxation

Current income tax

The taxation charge is based on the taxable result for the year. The taxable result for the year is determined in accordance with enacted legislation and taxation authority practice for calculating the amount of corporation tax payable.

Policyholder tax comprises corporation tax payable at the policyholder rate on the policyholders' share of the taxable result for the year, together with deferred tax at the policyholder rate on temporary differences relating to policyholder items.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs from its tax base.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax assets/liabilities are recovered/settled.

With regard to capital gains tax on policyholders' future tax obligations, management has determined that reserves should be held to cover this, based on a reserve charge rate of 20%. The deferred capital gains upon which the reserve charges are calculated are reflected in the closing deferred tax balance.

We are aware of the proposed BEPS Pillar 2 changes which might impact the tax rate in some jurisdictions in future years and continue to monitor for updates.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient tax profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emissions.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legal enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Policyholder Tax

HMRC requires ILUK to charge basic rate income tax on its life insurance policies (FA 2012, s102). ILUK collects this tax quarterly, by charging 20% tax (FY22: 20%) on gains from assets held in the policies, based on the policyholder's acquisition costs and market value at each quarter end. Additional charges are applied on any increases in the previously charged gain. The charge is adjusted by the fourth financial year quarter so that the total charge for the year is based on the gain at the end of the financial year. When assets are sold at a loss or reduce in market value by the financial year end, a refund of the charges may be applied. Policyholder tax is recorded as a tax expense/(tax credit) in the statement of comprehensive income, with a corresponding asset/(liability) recognised on the statement of financial position (under IAS 12).

1. Basis of preparation and significant accounting policies (continued)

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Chief Executive Officer of the Company.

Client assets and client monies

Integrated Financial Arrangements Ltd (IFAL) client assets and client monies are not recognised in the parent and consolidated statements of financial position as they are owned by the clients of IFAL.

Lease assets and lease liabilities

Right-of-use assets

The Group recognises right-of-use assets on the date the leased asset is made available for use by the Group. These assets relate to rental leases for the office of the Group, which have varying terms clauses and renewal rights. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date.

Depreciation is applied in accordance with IAS 16: Property, Plant and Equipment. Right-of-use assets are depreciated over the lease term. See note 13 and 14.

Lease liabilities

The Group measures lease liabilities in line with IFRS 16 on the balance sheet as the present value of all future lease payments, discounted using an incremental borrowing rate at the date of commencement. After the commencement date, the amount of lease liabilities is increased to reflect the addition of interest and reduced for the lease payments made. The Group's incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. See note 25.

Short-term leases

The Group defines short-term leases as those with a lease term of 12 months or less and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight line basis over the term of lease.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances from instant access and notice accounts, call deposits, and other short-term deposits with an original maturity of three months or less. The carrying amount of these assets approximates to their fair value.

Cash and cash equivalents held for the benefit of the policyholders are held to cover the liabilities for unit linked investment contracts. These amounts are 100% matched to corresponding liabilities.

1. Basis of preparation and significant accounting policies (continued)

Financial instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

At initial recognition, the Group classifies its financial instruments in the following categories, based on the business model in which the assets are managed and their cash flow characteristics:

(i) Financial assets and liabilities at fair value through profit or loss

This category includes financial assets and liabilities acquired principally for the purpose of selling or repurchasing in the short-term, comprising of listed shares and securities.

Financial instruments in this category are recognised on the trade date, and subsequently measured at fair value. Purchases and sales of securities are recognised on the trade date. Transaction costs are expensed in the Consolidated Statement of Comprehensive Income. Gains and losses arising from changes in fair value are presented in the Consolidated Statement of Comprehensive Income within "investment returns" for corporate assets and "net income attributable to policyholder returns" for policyholder assets in the period in which they arise. Financial assets and liabilities at fair value through profit or loss are classified as current except for the portion expected to be realised or paid beyond twelve months of the balance sheet date, which are classified as long-term.

(ii) Financial assets at amortised cost

These assets comprised of accrued fees, trade and other receivables, loans, investments in quoted debt instruments and cash and cash equivalents. These are included in current assets due to their short-term nature, except for the element of the loan payable to subsidiary which is to be settled after 12 months, which is included in non-current assets.

Financial assets are measured at amortised cost when they are held within the business model whose objective is to hold assets to collect contractual cash flows and their contractual cash flows represent solely payments of principal and interest.

The carrying value of assets held at amortised cost are adjusted for impairment arising from expected credit losses.

(iii) Financial liabilities at amortised cost

Financial liabilities at amortised cost comprise trade and other payables and loans payable. These are initially recognised at fair value. Subsequent measurement is at amortised cost using the effective interest method. Trade and other payables are classified as current liabilities due to their short-term nature. The loan is split between current and non-current liabilities, based on the repayment terms.

Impairment of financial assets

Expected credit losses are required to be measured through a loss allowance at an amount equal to:

- the 12-month expected credit losses (expected credit losses from possible default events within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses from all possible default events over the life of the financial instrument).

A loss allowance for full lifetime expected credit losses is required for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition, as well as to contract assets or trade receivables, where the simplified approach is applied to assets that do not contain a significant financing component.

For all other financial instruments, expected credit losses are measured at an amount equal to the 12-month expected credit losses.

Impairment losses on financial assets carried at amortised cost are reversed in subsequent periods if the expected credit losses decrease.

1. Basis of preparation and significant accounting policies (continued)

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

The ILUK policyholder reserves, which are part of the provisions balance, arises from tax reserve charges collected from life insurance policyholders, which are held to cover possible future tax liabilities. If no tax liability arises the charges are refunded to policyholders, where possible. As these liabilities are of uncertain timing or amounts, they are recognised as provisions on the statement of financial position.

Balances due to HMRC are considered under IAS 12 Income Taxes, whereas balances due to policyholders are considered under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

Share-based payments

Equity-settled share-based payment awards granted to employees are measured at fair value at the date of grant. The awards are recognised as an expense, with a corresponding increase in equity, spread over the vesting period of the awards, which accords with the period for which related services are provided.

The total amount expensed is determined by reference to the fair value of the awards as follows:

(i) Share Incentive Plan (SIP) shares

The fair value is the market price on the grant date. There are no vesting conditions, as the employees receive the shares immediately upon grant.

(ii) Performance share plan (PSP) share options

The fair value of share options is determined by applying a valuation technique, usually an option pricing model, such as Black Scholes. This takes into account factors such as the exercise price, the share price, volatility, interest rates, and dividends.

At each reporting date, the estimate of the number of share options expected to vest based on the non-market vesting conditions is assessed. Any change to original estimates is recognised in the statement of comprehensive income, with a corresponding adjustment to equity reserves.

2. Critical accounting estimates and judgements

Critical accounting estimates are those where there is a significant risk of material adjustment in the next 12 months, and critical judgements are those that have the most significant effect on amounts recognised in the accounts.

In preparing these Financial Statements, management has made judgements, estimates and assumptions about the future that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management uses its knowledge of current facts and applies estimation and assumption techniques that are aligned with relevant accounting policies to make predictions about the future. Actual results may differ from these estimates.

Estimates and judgements are reviewed on an ongoing basis and revisions are recognised in the period in which the estimate is revised. There are no assumptions made about the future, or other major sources of estimation uncertainty at the end of the reporting period, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Judgements which do not involve estimates

The assessment to recognise the ILUK policyholder provision comes from an evaluation of the likelihood of a constructive or legal obligation, and whether that obligation can be estimated reliably. The provision required has been calculated based on an assessment of tax payable to HM Revenue & Customs (HMRC) and refunds payable back to policyholders.

3. Financial instruments

(i) Principal financial instruments

The principal financial instruments, from which financial instrument risk arises, are as follows:

- Trade and other receivables
- Accrued fees
- Investments – Gilts
- Investments – Listed shares and securities
- Trade and other payables
- Loans receivable and loans payable

(ii) Financial instruments by category

As explained in note 1, financial assets and liabilities have been classified into categories that determine their basis of measurement and, for items measured at fair value, whether changes in fair value are recognised in the statement of comprehensive income. The following tables show the carrying values of assets and liabilities for each of these categories for the Group:

FINANCIAL ASSETS:	FAIR VALUE THROUGH PROFIT OR LOSS		AMORTISED COST	
	2023	2022	2023	RESTATED 2022
	£m	£m	£m	£m
Cash and cash equivalents	-	-	177.9	183.0
Cash and cash equivalents policyholder	-	-	1,419.2	1,458.6
Investments - Listed shares and securities	0.1	0.1	-	-
Investments - Gilts	-	3.0	22.3	-
Loans receivable	-	-	6.3	5.5
Accrued income	-	-	12.5	12.1
Trade and other receivables	-	-	3.2	2.0
Investments held for the policyholders	23,021.7	20,715.8	-	-
Total financial assets	**23,021.8**	**20,718.9**	**1,641.4**	**1,661.2**

Assets which are not financial instruments	2023	RESTATED 2022
	£m	£m
Prepayments	4.7	5.1
Current tax asset	14.3	15.0
Trade and other receivables – repayment interest due from HMRC	0.4	-
Total financial assets	**19.4**	**20.1**

See note 36 for details on 2022 restated balances.

3. Financial instruments (continued)

FINANCIAL LIABILITIES:	FAIR VALUE THROUGH PROFIT OR LOSS		AMORTISED COST	
	2023	2022	2023	RESTATED 2022
	£m	£m	£m	£m
Trade and other payables	-	-	0.7	1.6
Lease liabilities	-	-	1.1	2.8
Other payables	-	-	5.9	5.4
Liabilities for linked investments contracts	23,021.7	20,715.8	1,419.2	1,458.6
Total financial liabilities	**23,021.7**	**20,715.8**	**1,426.9**	**1,468.4**

Liabilities which are not financial instruments	2023	RESTATED 2022
	£m	£m
Accruals and deferred income	7.8	8.3
PAYE and other taxation	2.6	2.2
Other payables – due to HMRC	0.9	2.3
Deferred consideration	1.6	1.7
Contingent consideration	-	1.7
	12.9	**16.2**

See note 36 for details on 2022 restated balances.

The following tables show the carrying values of assets and liabilities for each of these categories for the Company:

FINANCIAL ASSETS:	FAIR VALUE THROUGH PROFIT OR LOSS		AMORTISED COST	
	2023	2022	2023	2022
	£m	£m	£m	£m
Cash and cash equivalents	-	-	26.0	33.1
Trade and other receivables	-	-	0.1	0.2
Loans receivable	-	-	6.3	5.5
Total financial assets	**-**	**-**	**32.4**	**38.8**

FINANCIAL LIABILITIES:	FAIR VALUE THROUGH PROFIT OR LOSS		AMORTISED COST	
	2023	2022	2023	RESTATED 2022
	£m	£m	£m	£m
Other payables	-	-	0.4	0.3
Loans payable	-	-	7.0	8.0
Due to Group undertakings	-	-	-	0.1
Total financial liabilities	**-**	**-**	**7.4**	**8.4**

3. Financial instruments (continued)

Liabilities which are not financial instruments	2023 £m	RESTATED 2022 £m
Accruals and deferred income	0.3	0.3
PAYE and other taxation	0.1	0.1
Deferred consideration	1.6	1.7
Contingent consideration	-	1.7
	2.0	**3.8**

(iii) Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalents, accrued fees, investments held in gilts, loans, trade and other receivables, and trade and other payables. Due to their short-term nature and/or expected credit losses recognised, the carrying value of these financial instruments approximates their fair value.

(iv) Financial instruments measured at fair value – fair value hierarchy

The table below classifies financial instruments that are recognised on the statement of financial position at fair value in a hierarchy that is based on significance of the inputs used in making the measurements. The levels of hierarchy are disclosed on the next page.

The following table shows the three levels oaf the fair value hierarchy:

- **Level 1:** quoted prices (unadjusted) in active markets for identical instruments;
- **Level 2:** instruments which are not actively traded but provide regular observable prices; and
- **Level 3:** inputs that are based on Level 1 or Level 2 data, but for which the last known price is over a year old (unobservable inputs).

The following table shows the Group's financial instruments measured at fair value and split into the three levels:

2023	LEVEL 1 £m	LEVEL 2 £m	LEVEL 3 £m	TOTAL £m
Assets				
Term deposits	182.0	-	-	182.0
Investments and securities	740.3	181.9	0.5	922.7
Bonds and other fixed-income securities	16.5	1.0	-	17.5
Holdings in collective investment schemes	21,754.5	143.3	1.7	21,899.5
Investments held for the benefit of policyholders	**22,693.3**	**326.2**	**2.2**	**23,021.7**
Investments – listed shares and securities	0.1	-	-	0.1
Total	**22,693.4**	**326.2**	**2.2**	**23,021.8**
Liabilities				
Liabilities for linked investments contracts	22,693.3	326.2	2.2	23,021.7
Total	**22,693.3**	**326.2**	**2.2**	**23,021.7**

3. Financial instruments (continued)

2022	LEVEL 1 £m	LEVEL 2 £m	LEVEL 3 £m	TOTAL £m
Assets				
Term deposits	63.9	-	-	63.9
Investments and securities	631.9	137.9	0.3	770.1
Bonds and other fixed-income securities	10.9	1.2	-	12.1
Holdings in collective investment schemes	19,730.4	137.7	1.6	19,869.7
Investments held for the benefit of policyholders	**20,437.1**	**276.8**	**1.9**	**20,715.8**
Investments	3.1	-	-	3.1
Total	**20,440.2**	**276.8**	**1.9**	**20,718.9**
Liabilities				
Liabilities for linked investments contracts	20,437.1	276.8	1.9	20,715.8
Contingent consideration	-	-	1.7	1.7
Total	**20,437.1**	**276.8**	**3.6**	**20,717.5**

Level 1 valuation methodology

Financial instruments included in Level 1 are measured at fair value using quoted mid prices that are available at the reporting date and are traded in active markets. These are mainly Open-Ended Investment Companies (OEICs), Unit Trusts, Investment trusts and Exchange Traded Funds.

The price is sourced from our 3rd party provider, who source this directly from the stock exchange or obtain the price directly from the fund manager.

Level 2 valuation methodology

Financial instruments included in Level 2 are measured at fair value using observable mid prices traded in markets that have been assessed as not active but which provide regular observable prices. These are mainly Structured products and OEICs.

The price is sourced from the structured product provider or from our 3rd party provider, who obtain the price directly from the fund manager.

Level 3 valuation methodology

Financial instruments included in Level 3 are measured at fair value using the last known price and for which the price is over a year old. These are mainly OEICs and Unit Trusts. These instruments have unobservable inputs as the current observable market information is no longer available. Where these instruments arise management will value them based on the last known observable market price.

The prices are sourced as noted in Level 1 and Level 2 above.

For the purposes of identifying Level 3 instruments, unobservable inputs means that current observable market information is no longer available. Where these instruments arise management will value them based on the last known observable market price. No other valuation techniques are applied.

3. Financial instruments (continued)

Level 3 sensitivity to changes in unobservable measurements

For financial instruments assessed as Level 3, based on its review of the prices used, the Group believes that any change to the unobservable inputs used to measure fair value would not result in a significantly higher or lower fair value measurement at year end, and therefore would not have a material impact on its reported results.

Review of prices

As part of its pricing process, the Group regularly reviews whether each instrument can be valued using a quoted price and if it trades on an active market, based on available market data and the specific circumstances of each market and instrument.

The Group regularly assesses instruments to ensure they are categorised correctly and Fair Value Hierarchy (FVH) levels adjusted accordingly. The Group monitors situations that may impact liquidity such as suspensions and liquidations while also actively collecting observable market prices from relevant exchanges and asset managers. Should an instrument price become observable following the resumption of trading the FVH level will be updated to reflect this.

Changes to valuation methodology

There have been no changes in valuation methodology during the year under review.

Transfers between Levels

The Group's policy is to assess each financial instrument it holds at the current financial year end, based on the last known price and market information, and assign it to a Level.

The Group recognises transfers between Levels of the fair value hierarchy at the end of the reporting period in which the changes have occurred. Changes occur due to the availability of (or lack thereof) quoted prices and whether a market is now active or not.

Transfers between Levels between 01 October 2022 and 30 September 2023 are presented in the table below at their valuation at 30 September 2023:

TRANSFERS FROM	TRANSFERS TO	£M
Level 1	Level 2	32.3
Level 2	Level 1	20.9

The reconciliation between opening and closing balances of Level 3 assets are presented in the table below:

	2023 £m	2022 £m
Opening balance	**1.9**	**1.9**
Unrealised gains or losses in the year ended 30 September 2023	(0.1)	(0.4)
Transfers in to Level 3 at 30 September 2023 valuation	0.4	0.4
Transfers out of Level 3 at 30 September 2023 valuation	-	-
Purchases, sales, issues and settlement	-	-
Closing balance	**2.2**	**1.9**

Any resultant gains or losses on financial assets held for the benefit of policyholders are offset by a reciprocal movement in the linked liability.

3. Financial instruments (continued)

(v) Capital maintenance

The regulated companies in the Group are subject to capital requirements imposed by the relevant regulators as detailed below:

LEGAL ENTITY	REGULATORY REGIME
IFAL	IFPR
ILUK	Solvency II
ILInt	Isle of Man risk based capital regime

Group capital requirements for 2023 are driven by the regulated entities, whose capital resources and requirements as detailed below:

	IFAL 30 SEPTEMBER		ILUK 30 SEPTEMBER		ILINT 30 SEPTEMBER	
	2023	2022	2023	2022	2023	2022
	£m	£m	£m	£m	£m	£m
Capital resource	44.4	39.7	269.2	244.0	46.6	42.0
Capital requirement	33.3	32.6	215.8	186.9	27.1	23.7
Coverage ratio	133%	122%	125%	131%	172%	177%

The Group has complied with the requirements set by the regulators during the year. The Group's policy for managing capital is to ensure each regulated entity maintains capital well above the minimum requirement. Further information is detailed in the Risk and Risk Management section of this report on page 60 and in the Financial Review on page 53.

4. Risk and risk management

This note supplements the details provided in the Risk and Risk Management section of this report on page 60.

Risk assessment

The board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's risk function.

Risk assessment is the determination of quantitative values and/or qualitative judgements of risk related to a concrete situation and a recognised threat. Quantitative risk assessment requires calculations of two components of risk, the magnitude of the potential impact, and the likelihood that the risk materialises. Qualitative aspects of risk, despite being more difficult to express quantitatively, are also taken into account in order to fully evaluate the impact of the risk on the organisation.

(1) Market risk

Market risk is the risk of loss arising either directly or indirectly from fluctuations in the level and in the volatility of market prices of assets, liabilities and other financial instruments.

(a) Price risk

Market price risk from reduced income

The Company's dividend income from its regulated subsidiaries, IFAL, ILUK and ILInt, is exposed to market risk. The Group's main source of income is derived from annual management fees and transaction fees which are linked to the value of the clients' portfolios, which are determined by the market prices of the underlying assets. The Group's revenue is therefore affected by the value of assets on the platform, and consequently it has exposure to equity market levels and economic conditions.

The Group mitigates the second order market price risk by applying fixed charges per tax wrapper in addition to income derived from the charges based on clients' linked portfolio values. These are recorded in note 5 as wrapper fee income and annual commission income, respectively. This approach of fixed and variable charging offers an element of diversification to its income stream. The risk of stock market volatility, and the impact on revenue, is also mitigated through a wide asset offering which ensures the Group is not wholly correlated with one market, and which enables clients to switch assets, including into cash on the platform, in times of uncertainty.

Sensitivity testing has been performed to assess the impact of market movements on the Group's Profit for the year. The sensitivity is applied as an instantaneous shock at the start of the year, and shows the impact of a 10% change in values across all assets held on the platform.

IMPACT ON PROFIT AND EQUITY FOR THE YEAR

	2023 £m	2022 £m
10% increase in asset values	8.7	8.5
10% decrease in asset values	(8.7)	(8.5)

Market risk from direct asset holdings

The Group and the Company have limited exposure to primary market risk as capital is invested in high quality, highly liquid, short-dated investments.

Market risk from unit-linked assets

The Group and the Company have limited exposure to primary market risk from the value of unit-linked assets as fluctuations are borne by the policyholders.

(b) Interest rate risk

The Group receives interest on its cash and cash equivalents of £177.9 million (FY22: £183.0 million), on its loans of £6.3 million (FY22: £5.5 million) and on financial investments of £22.4 million (FY22: £3.1 million). The Group mitigates interest rate risk by diversifying its investments, which include government gilts which have a fixed rate of interest.

Sensitivity testing has been performed to assess the impact of a 1% change in interest rates. This would be expected to increase/decrease interest received on cash and cash equivalents by £1.7 million (FY22: £1.8 million) and on loans by £0.1 million (FY22: £0.1 million), which would increase/decrease profit after tax and equity by £1.4 million (FY22: £1.5 million).

(c) Currency risk

The Group is not directly exposed to significant currency risk however it is exposed to currency risk which arises on the platform software maintenance and support fees charged by IAD Pty, which are charged in Australian Dollars. The total amount of software maintenance and support fees in FY23 amounted to £7.2 million (FY22: £6.2 million).

Sensitivity testing has been performed to assess the impact of a 10% change in the GBP-AUD exchange rate. This would be expected to cause an increase/decrease of £0.7 million (FY22: £0.6 million) on the software maintenance and support fees.

The table below shows a breakdown of the material foreign currency exposures for the unit-linked policies within the Group:

	2023		2022	
CURRENCY	**£m**	**%**	**£m**	**%**
GBP	24,279.2	99.3	22,021.1	99.3
USD	133.4	0.5	127.0	0.6
EUR	15.9	0.1	16.4	0.1
Others	12.4	0.1	9.8	0.0
Total	**24,440.9**	**100.0**	**22,174.3**	**100.0**

99.3% of investments and cash held for the benefit of policyholders are denominated in GBP, its base currency. Remaining currency holdings greater than 0.1% of the total are shown separately in the table. However, it is recognised that the majority of investments held for the benefit of policyholders are in collective investment schemes and some of their underlying assets are denominated in currencies other than GBP, which increases the funds under direction currency risk exposure. A significant rise or fall in sterling exchange rates would not have a significant first order impact on the Group's results since any adverse or favourable movement in policyholder assets is entirely offset by a corresponding movement in the linked liability.

4. Risk and risk management (continued)

(2) Credit (counterparty default) risk

Credit risk is the risk that the Group or Company is exposed to a loss if another party fails to meet its financial obligations. For the Company, the exposure to counterparty default risk arises primarily from loans directly held by the Company, while for the Group this risk also arises from fees owed by clients.

Assets held at amortised cost

(a) Accrued income

This comprises fees owed by clients. These are held at amortised cost, less expected credit losses ("ECLs").

Under IFRS 9, a forward-looking approach is required to assess ECLs, so that losses are recognised before the occurrence of any credit event. The Group estimates that pending fees three months or more past due are unlikely to be collected and are written off. Based on management's experience, pending fees one or two months past due are generally expected to be collected, but consideration is also given to potential losses on these fees. Historical loss rates have been used to estimate expected future losses, while consideration is also given to underlying economic conditions, in order to ensure that expected losses are recognised on a forward-looking basis. This has led to the additional recognition of an immaterial amount of ECLs.

Details of the ECLs recognised in relation to accrued income can be seen in note 22.

(b) Loans

Loans subject to the 12 month ECL are £6.3m (FY22: £5.5m). While there remains a level of economic uncertainty in the current climate, leading to potentially higher credit risk, there is not considered to be a significant increase in credit risk, as all of the loans are currently performing to schedule, and there are no significant concerns regarding the borrowers. There is therefore no need to move from the 12 month ECL model to the lifetime ECL model. Expected losses are recognised on a forward-looking basis, which has led to the additional recognition of an immaterial amount of ECLs.

In addition to the above, the Company has committed a further £5.0m in undrawn loans.

Details of the ECLs recognised in relation to loans can be seen in note 16. No ECLs have been recognised on the undrawn loan commitments, as any ECLs would not be considered to be material.

(c) Cash and equivalents

The Group has a low risk appetite for credit risk, which is mainly limited to exposures to credit institutions for its bank deposits. A range of major regulated UK high street banks is used. A rigorous annual due diligence exercise is undertaken to assess the financial strength of these banks with those used having a minimum credit rating of A (Fitch).

In order to actively manage the credit and concentration risks, the board has agreed risk appetite limits for the regulated entities of the amount of corporate and client funds that may be deposited with any one bank; which is represented by a set percentage of the respective bank's total customer deposits. Monthly monitoring of these positions along with movements in Fitch ratings is undertaken, with reports presented to the Directors for review. Collectively these measures ensure that the Group diligently manages the exposures and provide the mitigation scope to be able to manage credit and concentration exposures on behalf of itself and its customers.

Counterparty default risk exposure to loans

The Company has loans of £6.3m (FY22: £5.5m). There are no other loans held by the Group.

Counterparty default risk exposure to Group companies

As well as inconvenience and operational issues arising from the failure of the other Group companies, there is also a risk of a loss of assets. The Company is due £81k (FY22: £160k) from other Group companies.

4. Risk and risk management (continued)

Counterparty default risk exposure to other receivables

The Company has no other receivables arising, due to the nature of its business, and the structure of the Group.

Across the Group, there is exposure to counterparty default risk arising primarily from:

- corporate assets directly held by the Group;
- exposure to clients; and
- exposure to other receivables.

The other exposures to counterparty default risk include a credit default event which affects funds held on behalf of clients and occurs at one or more of the following entities:

- a bank where cash is held on behalf of clients;
- a custodian where the assets are held on behalf of clients; and
- Transact Nominees Limited (TNL), which is the legal owner of the assets held on behalf of clients.

There is no first order impact on the Group from one of the events in the preceding paragraph. This is because any credit default event in respect of these holdings will be borne by clients, both in terms of loss of value and loss of liquidity. Terms and conditions have been reviewed by external lawyers to ensure that these have been drafted appropriately. However, there is a second order impact where future profits for the Group are reduced in the event of a credit default which affects funds held on behalf of clients.

There are robust controls in place to mitigate credit risk, for example, holding corporate and client cash across a range of banks in order to minimise the risk of a single point of counterparty default failure. Additionally, maximum counterparty limits and minimum credit quality steps are set for banks.

Cash and cash equivalents and investments are classed as stage 1 on the expected credit loss model (meaning that they are not credit-impaired on initial recognition and have not experienced a significant increase in credit risk since initial recognition) with no material expected credit loss provision held.

Corporate assets and funds held on behalf of clients

There is no significant risk exposure to any one UK clearing bank.

Counterparty default risk exposure to clients

The Group is due £12.3m (FY22: £11.8m) from fee income owed by clients.

Impact of credit risk on fair value

Due to the limited direct exposure that the Group and the Company have to credit risk, credit risk does not have a material impact on the fair value movement of financial instruments for the year under review. The fair value movements on these instruments are predominantly due to changes in market conditions.

4. Risk and risk management (continued)

(3) Liquidity risk

Liquidity risk is the risk that funds are not accessible such that the Company, although solvent, does not have sufficient liquid financial resources to meet obligations as they fall due, or can secure such resources only at excessive cost.

As a holding company, the Company's main liquidity risk is related to paying out shareholder dividends and operating expenses it may incur. Additionally, the Company has made short term commitments, in the form of a capped facility arrangement, to Vertus Capital SPV1 Limited ('Vertus') (as one of Vertus' sources of funding) to assist Vertus in developing its business, which is to provide tailored niche debt facilities to adviser firms to fund acquisitions, management buy-outs and other similar transactions.

Across the Group, the following key drivers of liquidity risk have been identified:

- liquidity risk arising due to failure of one or more of the Group's banks;
- liquidity risk arising due to the bank's system failure which prevents access to Group funds; and
- liquidity risk arising from clients holding insufficient cash to settle fees when they become due.

The Group's liquidity risk arises from a lack of readily realisable cash to meet debts as they become due. This takes a number of forms – clients' liabilities coming due, other liabilities (e.g. expenses) coming due, insufficient liquid assets to meet loan repayments to subsidiary companies and future payment commitments over the next three years following the acquisition of T4A.

The first of these, clients' liabilities is primarily covered through the terms and conditions with clients' taking their own liquidity risk, if their funds cannot be immediately surrendered for cash.

Payment of other liabilities depends on the Group having sufficient liquidity at all times to meet obligations as they fall due. This requires access to liquid funds, i.e. working banks and it also requires that the Group's main source of liquidity, charges on its clients' assets, can also be converted into cash.

The payment of loan obligations is covered by the upward dividends from subsidiary entities which were assessed against the financial plans and capital projections of the regulated entities to ensure the level of affordability of the future dividends.

The purchase price for T4A comprised three elements, a fixed sum payable on deal completion which has been settled, a further fixed sum to be paid in four equal annual instalments and a variable amount by reference to T4A's performance over that four year period. The payment of these future obligations is expected to be met from the company's own reserves and dividends it expects to receive from its subsidiaries.

The Group has set out two key liquidity requirements: first, to ensure that clients maintain a percentage of liquidity in their funds at all times, and second, to maintain access to cash through a spread of cash holdings in bank accounts.

There are robust controls in place to mitigate liquidity risk, for example, through regular monitoring of expenditure, closely managing expenses in line with the business plan, and, in the case of the Vertus facility, capping the value of loans. Additionally, the Group holds corporate and client cash across a range of banks in order to mitigate the risk of a single point of counterparty default failure.

Maturity schedule

The following table shows an analysis of the financial assets and financial liabilities by remaining expected maturities as at 30 September 2023 and 30 September 2022. All financial liabilities are undiscounted.

In addition to the financial assets and financial liabilities shown in the tables below, the Company committed a further £5.6m in undrawn loans. These are available to be drawn down immediately.

4. Risk and risk management (continued)

FINANCIAL ASSETS:

2023	UP TO 3 MONTHS £m	3-12 MONTHS £m	1-5 YEARS £m	OVER 5 YEARS £m	TOTAL £m
Investments held for the policyholders	23,021.7	-	-	-	23,021.7
Investments	-	-	22.4	-	22.4
Accrued income	12.5	-	-	-	12.5
Trade and other receivables	3.2	-	-	-	3.2
Loans	-	-	6.3	-	6.3
Cash and cash equivalents	177.9	-	-	-	177.9
Cash held for the benefit of policyholders	1,419.2	-	-	-	1,419.2
Total	**24,634.5**	**-**	**28.7**	**-**	**24,663.1**

RESTATED 2022	UP TO 3 MONTHS £m	3-12 MONTHS £m	1-5 YEARS £m	OVER 5 YEARS £m	TOTAL £m
Investments held for the policyholders	20,715.8	-	-	-	20,715.8
Investments	0.1	-	3.0	-	3.1
Accrued income	12.1	-	-	-	12.1
Trade and other receivables	2.0	-	-	-	2.0
Loans	-	-	5.5	-	5.5
Cash and cash equivalents	183.0	-	-	-	183.0
Cash held for the benefit of policyholders	1,458.6	-	-	-	1,458.6
Total	**22,371.6**	**-**	**8.5**	**-**	**22,380.1**

See note 36 for details on 2022 restated balances.

FINANCIAL LIABILITIES:

2023	UP TO 3 MONTHS £m	3-12 MONTHS £m	1-5 YEARS £m	OVER 5 YEARS £m	TOTAL £m
Liabilities for linked investment contracts	24,440.9	-	-	-	24,440.9
Trade and other payables	6.6	-	-	-	6.6
Lease liabilities	0.1	0.3	0.9	-	1.3
Total	**24,447.6**	**0.3**	**0.9**	**-**	**24,448.8**

2022	UP TO 3 MONTHS £m	3-12 MONTHS £m	1-5 YEARS £m	OVER 5 YEARS £m	TOTAL £m
Liabilities for linked investment contracts	22,174.4	-	-	-	22,174.4
Trade and other payables	7.0	-	-	-	7.0
Lease liabilities	0.6	1.3	0.9	-	2.8
Total	**22,182.0**	**1.3**	**0.9**	**-**	**22,184.2**

As per note 3, accruals, deferred consideration and contingent consideration have been reclassified as non-financial instruments and have therefore been removed from this table.

4. Risk and risk management (continued)

(4) Outflow risk

Outflows occur when funds are withdrawn from the platform for any reason. Outflows typically occur where clients' circumstances and requirements change. However, these outflows can also be triggered by operational failure, competitor actions or external events such as regulatory or economic changes.

Outflow risk is mitigated by focusing on providing exceptionally high levels of service. Outflow rates are closely monitored and unexpected experience is investigated. Despite the current challenging and uncertain economic and geopolitical environment, outflow rates remain stable and within historical norms.

(5) Expense risk

Expense risk arises where costs increase faster than expected or from one-off expense "shocks".

The Group and the Company has exposure related to expense inflation risk, where actual inflation deviates from expectations. As a significant percentage of the Group's expenses are staff related the key inflationary risk arises from salary inflation. The Group and the Company have no exposures to defined benefit staff pension schemes or client related index linked liabilities.

The Group's expenses are governed at a high level by the Group's Expense Policy. The monthly management accounts are reviewed against projected future expenses by the board and by senior management and action is taken where appropriate.

5. Disaggregation of revenue

The Group has the following categories of revenue:

- Annual commission - based on a fixed percentage applied to the value of the client's portfolio each month.
- Wrapper fee income - based on a fixed quarterly charge per wrapper.
- Other income – buy commission is based on a set percentage charge applied to each transaction. Dealing charges are charged based on a fixed fee for each type of transaction.
- Adviser back-office technology – licence income based on a fixed monthly charge per number of users. Consultancy income is charged based on the services provided.

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER

	2023 £m	**2022 £m**
Annual commission income	116.1	115.8
Wrapper fee income	12.3	11.6
Other income	1.7	2.2
Adviser back-office technology	4.8	4.0
Total revenue	**134.9**	**133.6**

6. Segmental reporting

The revenue and profit before tax are attributable to activities carried out in the UK and the Isle of Man.

The Group has three classes of business, which have been organised primarily based on the products they offer, as detailed below:

- Investment administration services – this relates to services performed by IFAL, which is the provider of the Transact wrap service. It is the provider of the General Investment Account (GIA), is a Self-Invested Personal Pension (SIPP) operator, an ISA manager and is the custodian for all assets held on the platform (except for those held by third party custodians).
- Insurance and life assurance business – this relates to ILUK and ILInt, insurance companies which provide the Transact Personal Pension, Executive Pension, Section 32 Buy-Out Bond, Transact Onshore and Offshore Bonds, and Qualifying Savings Plan on the Transact platform.
- Adviser back-office technology - this relates to T4A, provider of financial planning technology to adviser and wealth management firms via the CURO adviser support system.

Other Group entities relates to the rest of the Group, which provide services to support the Group's core operating segments.

Analysis by class of business is given below.

6. Segmental reporting (continued)

Statement of comprehensive income – segmental information for the year ended 30 September 2023:

	INVESTMENT ADMINISTRATION SERVICES	INSURANCE AND LIFE ASSURANCE BUSINESS	ADVISER BACK-OFFICE TECHNOLOGY	OTHER GROUP ENTITIES	CONSOLID-ATION ADJUSTMENTS	TOTAL
	£m	£m	£m	£m	£m	£m
Revenue						
Annual commission income	63.1	53.0	-	-	-	116.1
Wrapper fee income	3.0	9.3	-	-	-	12.3
Adviser back-office technology	-	-	4.8	-	-	4.8
Other income	1.2	0.5	-	76.0	(76.0)	1.7
Total revenue	**67.3**	**62.8**	**4.8**	**76.0**	**(76.0)**	**134.9**
Cost of sales	(2.1)	(0.6)	(0.7)	(0.5)	-	(3.9)
Gross profit/(loss)	**65.2**	**62.2**	**4.1**	**75.5**	**(76.0)**	**131.0**
Administrative expenses	(42.2)	(30.2)	(5.5)	(72.3)	75.6	(74.6)
Expected credit losses on financial assets	-	-	-	(0.1)	-	(0.1)
Operating profit/(loss)	**23.0**	**32.0**	**(1.4)**	**3.1**	**(0.4)**	**56.3**
Interest expense	-	-	-	(0.7)	0.6	(0.1)
Interest income	1.2	4.4	-	1.4	(0.6)	6.4
Net policyholder returns						
Net income/(loss) attributable to policyholder returns	-	12.1	-	-	-	12.1
Change in investment contract liabilities	-	(1,056.0)	-	-	-	(1,056.0)
Fee and commission expenses	-	(193.3)	-	-	-	(193.3)
Policyholder investment returns	-	1,249.3	-	-	-	1,249.3
Net policyholder returns	**-**	**12.1**	**-**	**-**	**-**	**12.1**
Profit/(loss) on ordinary activities before taxation attributable to policyholders and shareholders	**24.2**	**48.5**	**(1.4)**	**3.8**	**(0.4)**	**74.7**
Policyholder tax credit/(charge)	-	(12.1)	-	-	-	(12.1)
Profit on ordinary activities before taxation attributable to shareholders	**24.2**	**36.4**	**(1.4)**	**3.8**	**(0.4)**	**62.6**
Total tax attributable to shareholder and policyholder returns	(5.0)	(18.7)	0.5	(1.7)	(0.1)	(24.9)
Less: tax attributable to policyholder returns	-	12.1	-	-	-	12.1
Shareholder tax on profit on ordinary activities	**(5.0)**	**(6.6)**	**0.5**	**(1.7)**	**(0.1)**	**(12.8)**
Profit/(loss) for the period	**19.2**	**29.8**	**(0.9)**	**2.1**	**(0.3)**	**49.9**

6. Segmental reporting (continued)

Statement of comprehensive income – segmental information for the year ended 30 September 2022:

	INVESTMENT ADMINISTRATION SERVICES £m	INSURANCE AND LIFE ASSURANCE BUSINESS £m	ADVISER BACK-OFFICE TECHNOLOGY £m	OTHER GROUP ENTITIES £m	CONSOLID-ATION ADJUSTMENTS £m	TOTAL £m
Revenue						
Annual commission income	63.4	52.6	-	-	-	116.0
Wrapper fee income	2.8	8.7	-	-	-	11.5
Adviser back-office technology	-	-	3.9	-	-	3.9
Other income	1.3	0.9	-	64.4	(64.4)	2.2
Total revenue	**67.5**	**62.2**	**3.9**	**64.4**	**(64.4)**	**133.6**
Cost of sales	(0.7)	(0.4)	(0.5)	(0.5)	-	(2.1)
Gross profit/(loss)	**66.8**	**61.8**	**3.4**	**63.9**	**(64.4)**	**131.5**
Administrative expenses	(43.0)	(28.8)	(5.3)	(64.6)	64.0	(77.7)
Expected credit losses on financial assets	(0.1)	-	-	(0.1)	-	(0.2)
Operating profit/(loss)	**23.7**	**33.0**	**(1.9)**	**(0.8)**	**(0.4)**	**53.6**
Interest expense	-	-	-	(0.4)	0.3	(0.1)
Interest income	0.1	1.0	-	-	(0.3)	0.8
Net policyholder returns						
Net income/(loss) attributable to policyholder returns		(38.5)	-	-	-	(38.5)
Change in investment contract liabilities	-	2,770.3	-	-	-	2,770.3
Fee and commission expenses	-	(192.6)	-	-	-	(192.6)
Policyholder investment returns	-	(2,577.7)	-	-	-	(2,577.7)
Net policyholder returns	**-**	**38.5**	**-**	**-**	**-**	**(38.5)**
Profit/(loss) on ordinary activities before taxation attributable to policyholders and shareholders	**23.8**	**(4.5)**	**(1.9)**	**(1.2)**	**(0.4)**	**15.8**
Policyholder tax credit/(charge)	-	38.5	-	-	-	38.5
Profit on ordinary activities before taxation attributable to shareholders	**23.8**	**34.0**	**(1.9)**	**(1.2)**	**(0.4)**	**54.3**
Total tax attributable to shareholder and policyholder returns	(4.4)	32.6	0.3	(0.4)	0.1	28.2
Less: tax attributable to policyholder returns	-	(38.5)	-	-	-	(38.5)
Shareholder tax on profit on ordinary activities	(4.4)	(5.9)	0.3	(0.4)	0.1	(10.3)
Profit/(loss) for the period	**19.4**	**28.1**	**(1.6)**	**(1.6)**	**(0.3)**	**44.0**

6. Segmental reporting (continued)

Statement of financial position – segmental information for the year ended 30 September 2023:

	INVESTMENT ADMINISTRATION SERVICES £m	INSURANCE AND LIFE ASSURANCE BUSINESS £m	ADVISER BACK-OFFICE TECHNOLOGY £m	TOTAL £m
Assets				
Non-current assets	10.3	19.1	1.1	30.5
Current assets	78.0	154.6	2.8	235.4
Total assets	**88.3**	**173.7**	**3.9**	**265.9**
Liabilities				
Current liabilities	8.4	18.1	1.0	27.5
Non-current liabilities	0.8	47.5	0.2	48.5
Total liabilities	**9.2**	**65.6**	**1.2**	**76.0**
Policyholder assets and liabilities				
Cash held for the benefit of policyholder	-	1,419.2	-	-
Investments held for the benefit of policyholders	-	23,021.7	-	-
Liabilities for linked investment contracts	-	(24,440.9)	-	-
Total policyholder assets and liabilities	**-**	**-**	**-**	**-**
Net assets	**79.1**	**108.1**	**2.7**	**189.9**
Non-current asset additions	0.3	0.3	0.0	0.6

6. Segmental reporting (continued)

Restated Statement of financial position – segmental information for the year ended 30 September 2022:

	INVESTMENT ADMINISTRATION SERVICES £m	INSURANCE AND LIFE ASSURANCE BUSINESS £m	ADVISER BACK-OFFICE TECHNOLOGY £m	TOTAL £m
Assets				
Non-current assets	10.4	25.4	0.8	36.6
Current assets	71.8	144.7	3.8	220.3
Total assets	**82.2**	**170.1**	**4.6**	**256.9**
Liabilities				
Current liabilities	10.5	22.5	1.1	34.1
Non-current liabilities	1.9	47.6	0.1	49.6
Total liabilities	**12.4**	**70.1**	**1.2**	**83.7**
Policyholder assets and liabilities				
Cash held for the benefit of policyholder	-	1,458.6	-	1,458.6
Investments held for the benefit of policyholders	-	20,715.8	-	20,715.8
Liabilities for linked investment contracts	-	(22,174.4)	-	(22,174.4)
Total policyholder assets and liabilities	**-**	**-**	**-**	**-**
Net assets	**69.8**	**100.0**	**3.4**	**173.2**
Non-current asset additions	0.2	0.1	-	0.3

See note 36 for details on 2022 restated balances.

Segmental information: Split by geographical location

	2023 £m	2022 £m
Revenue		
United Kingdom	129.4	128.3
Isle of Man	5.5	5.3
Total	**134.9**	**133.6**

	2023 £m	2022 £m
Non-current assets		
United Kingdom	23.4	25.1
Isle of Man	0.1	-
Total	**23.5**	**25.1**

7. Earnings per share

	2023	2022
Profit		
Profit for the year and earnings used in basic and diluted earnings per share	£49.9m	£44.0m
Weighted average number of shares		
Weighted average number of Ordinary shares	331.3m	331.3m
Weighted average numbers of Ordinary Shares held by Employee Benefit Trust	(0.5m)	(0.4m)
Weighted average number of Ordinary Shares for the purposes of basic EPS	**330.8m**	**330.9m**
Adjustment for dilutive share option awards	0.5m	0.4m
Weighted average number of Ordinary Shares for the purposes of diluted EPS	**331.3m**	**331.3m**
Earnings per share		
Basic	15.1p	13.3p
Diluted	15.1p	13.3p

Earnings per share ("EPS") is calculated based on the share capital of IntegraFin Holdings plc and the earnings of the consolidated Group.

Basic EPS is calculated by dividing profit after tax attributable to ordinary equity shareholders of the Company by the weighted average number of Ordinary Shares outstanding during the year. The weighted average number of shares excludes shares held within the Employee Benefit Trust to satisfy the Group's obligations under employee share awards.

Diluted EPS is calculated by adjusting the weighted average number of Ordinary Shares outstanding to assume conversion of all potentially dilutive Ordinary Shares.

8. Expenses by nature

The following expenses are included within administrative expenses:

Group	2023 £m	2022 £m
Depreciation	2.1	2.6
Amortisation	0.4	0.4
Wages and employee benefits expense	52.8	46.1
Other staff costs	1.1	1.0
Auditor's remuneration:		
- auditing of the Financial Statements of the Company pursuant to the legislation	0.2	0.1
- auditing of the Financial Statements of subsidiaries	0.6	0.4
- other assurance services	0.4	0.3
Other professional fees	4.8	4.7
Regulatory fees	3.9	4.2
- Non-underlying expenses - backdated VAT	-	8.0
- Non-underlying expenses - interest on backdated VAT	-	0.8
- Other non-underlying expenses – deferred consideration	2.1	2.1
- Other non-underlying expenses –contingent consideration	(1.7)	0.9
- Other non-underlying expenses	-	(0.3)
Short-term lease payments:		
- land and buildings	0.6	0.1
Other occupancy costs	2.2	2.3
Other costs	6.7	6.4
Other income – tax relief due to shareholders	(1.6)	(2.4)
Total administrative expenses	**74.6**	**77.7**

"Other income – tax relief due to shareholders" relates to the release of policyholder reserves to the statement of comprehensive income.

Company	2023 £m	2022 £m
Wages and employee benefits expense	0.7	0.6
Non underlying expenses:		
- Remuneration	0.3	3.0
Auditor's remuneration:		
- auditing of the Financial Statements of the Company pursuant to the legislation	0.2	0.2
Other professional fees	0.6	0.8
Other costs	0.2	0.2
Total administrative expenses	**2.0**	**4.8**

8. Expenses by nature (continued)

Wages and employee benefits expense

The average number of staff (including executive directors) employed by the Group during the financial year amounted to:

	2023 No.	2022 No.
CEO	2	2
Client services staff	232	223
Finance staff	72	69
Legal and compliance staff	39	38
Sales, marketing and product development staff	65	64
Software development staff	139	131
Technical and support staff	82	67
	631	**594**

The Company has no employees (2022: nil).

Wages and employee (including executive directors) benefits expenses during the year, included within administrative expenses, were as follows:

	2023 £m	2022 £m
Wages and salaries	43.9	36.3
Social security costs	4.8	4.2
Other pension costs	2.0	3.6
Share-based payment costs	2.1	2.0
	52.8	**46.1**

Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the entity and as such, only directors are considered to meet this definition.

	2023 £m	2022 £m
Short-term employee benefits*	3.0	2.9
Post-employment benefits	0.2	0.2
Share based payment	0.5	0.4
Social security costs	0.5	0.4
	4.2	**4.1**
Highest paid director:		
Short-term employee benefits*	0.6	0.6
Other benefits	0.2	0.2
	No.	**No.**
Number of directors for whom pension contributions are paid	8	8

*Short-term employee benefits comprise salary and cash bonus.

9. Interest income

	GROUP 2023 £m	COMPANY 2023 £m	GROUP 2022 £m	COMPANY 2022 £m
Interest income on bank deposits	5.3	0.5	0.6	-
Interest income on tax repayments	0.4	-	-	-
Interest income on loans	0.4	0.4	0.2	0.2
Interest income on financial investments	0.3	-	-	-
	6.4	**0.9**	**0.8**	**0.2**

All interest income is calculated using the effective interest rate method, except for interest income on tax repayments.

10. Policyholder investment returns

	2023 £m	2022 £m
Change in fair value of underlying assets	1,024.2	(2,729.2)
Investment income	225.1	151.5
Total policyholder investment returns	**1,249.3**	**(2,577.7)**

11. Tax on profit on ordinary activities

Group

a) Analysis of charge in year

The income tax expense comprises:

	2023 £m	2022 £m
Corporation tax		
Current year - corporation tax	12.7	10.0
Adjustment in respect of prior years	(0.1)	0.7
	12.6	**10.7**
Deferred tax		
Current year	0.1	(0.4)
Change in deferred tax charge/(credit) as a result of higher tax rate	-	-
Total shareholder tax charge for the year	**12.7**	**10.3**
Policyholder taxation		
UK policyholder tax at 20% (2022: 20%)	-	-
Deferred tax at 25% (2022: 25%)	11.8	(33.8)
Prior year adjustments	-	(4.9)
Tax deducted on overseas dividends	0.3	0.2
Total policyholder taxation	**12.1**	**(38.5)**
Total tax attributable to shareholder and policyholder returns	**24.8**	**(28.2)**

11. Tax on profit on ordinary activities (continued)

b) Factors affecting tax charge for the year

The tax on the Group's profit before tax differs from the amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	2023 £m	2022 £m
Profit on ordinary activities before taxation attributable to shareholders	62.6	54.3
Profit on ordinary activities multiplied by effective rate of Corporation Tax 22% (2021: 19%)	**13.8**	**10.3**
Effects of:		
Non-taxable dividends	-	-
Group relief	-	-
Income / expenses not taxable / deductible for tax purposes multiplied by effective rate of corporation tax	(0.6)	(0.2)
Adjustments in respect of prior years	0.1	0.7
Effect of change in tax rate	-	-
Effect of lower tax rate jurisdiction	(0.6)	(0.5)
Other adjustments	-	-
	12.7	**10.3**
Add policyholder tax	12.1	(38.5)
	24.8	**(28.2)**

Company

a) Analysis of charge in year

	2023 £m	2022 £m
Deferred tax charge/(credit) (see note 26)	-	-

b) Factors affecting tax charge for the year

	2023 £m	2022 £m
Profit on ordinary activities before tax	31.6	39.9
Profit on ordinary activities multiplied by effective rate of Corporation Tax 22% (2021: 19%)	7.0	7.6
Effects of:		
Non-taxable dividends	(7.3)	(8.5)
Income / expenses not taxable / deductible for tax purposes multiplied by effective rate of Corporation Tax	-	0.6
Group loss relief to ISL	0.3	0.3
	-	**-**

12. Intangible assets – Group

	SOFTWARE AND IP RIGHTS £m	GOODWILL £m	CUSTOMER RELATIONSHIPS £m	SOFTWARE £m	BRAND £m	TOTAL £m
Cost						
At 1 October 2022	12.5	18.3	2.1	2.0	0.3	35.2
At 30 September 2023	**12.5**	**18.3**	**2.1**	**2.0**	**0.3**	**35.2**
Amortisation						
At 1 October 2022	12.5	-	0.3	0.5	0.1	13.4
Charge for the year	-	-	0.1	0.3	-	0.4
At 30 September 2023	**12.5**	**-**	**0.4**	**0.8**	**0.1**	**13.8**
Net Book Value						
At 30 September 2022	-	18.3	1.8	1.5	0.2	21.8
At 30 September 2023	**-**	**18.3**	**1.7**	**1.2**	**0.2**	**21.4**

	SOFTWARE AND IP RIGHTS £m	GOODWILL £m	CUSTOMER RELATIONSHIPS £m	SOFTWARE £m	BRAND £m	TOTAL £m
Cost						
At 1 October 2021	12.5	18.3	2.1	2.0	0.3	35.2
At 30 September 2022	**12.5**	**18.3**	**2.1**	**2.0**	**0.3**	**35.2**
Amortisation						
At 1 October 2021	12.5	-	0.1	0.2	0.1	12.9
Charge for the year	-	-	0.2	0.3	-	0.5
At 30 September 2022	**12.5**	**-**	**0.3**	**0.5**	**0.1**	**13.4**
Net Book Value						
At 30 September 2021	-	18.3	2.0	1.8	0.2	22.3
At 30 September 2022	-	18.3	1.7	1.5	0.2	21.8

All intangible assets are externally generated.

Goodwill impairment assessment

In accordance with IFRS, goodwill is not amortised, but is assessed for impairment on an annual basis. The impairment assessment compares the carrying value of goodwill to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flows.

The goodwill relates to the acquisition of IAD Pty in July 2016 and T4A in January 2021.

The carrying amount of the IAD Pty goodwill is allocated to the two cash generating units ("CGUs") that relate to the Transact platform, as these are benefitting from the IAD PTY acquisition. The carrying amount of the goodwill for T4A is allocated to the CGU that relates to the CURO software as this is the source of revenue for T4A.

12. Intangible assets – Group (continued)

IAD Pty	**2023 £m**	**2022 £m**
Investment administration services	7.2	7.2
Insurance and life assurance business	5.7	5.7
Total	**12.9**	**12.9**

Other assumptions are as follows:

	2023	**2022**
Discount rate	13.2%	13.3%
Period on which detailed forecasts are based	5 years	5 years
Long-term growth rate	2.0%	1.0%

The carrying amount of the T4A goodwill is all allocated to the below CGU:

T4A	**2023 £m**	**2022 £m**
Adviser back-office technology	5.3	5.3

Other assumptions are as follows:

	2023	**2022**
Discount rate	14.0%	11.6%
Period on which detailed forecasts are based	5 years	5 years
Long-term growth rate	2.0%	2.0%

The recoverable amounts of the above CGUs have been determined from value in use calculations based on cash flow projections from formally approved budgets covering a five-year period to 30 September 2028. Post the five year business plan, the growth rate used to determine the terminal value of the cash generating units was based on a long-term growth rate of 2.0%. The discount rate is assessed on an annual basis and has been calculated using the weighted average cost of capital.

Based on management's experience, the key assumptions on which management has calculated its projections are net inflows, market growth and expense inflation.

The annual impairment tests relating to both acquisitions indicated that there is significant headroom in the recoverable amount over the carrying value of the CGUs. There is therefore no indication of impairment.

Projected cash flows are impacted by movements in underlying assumptions, including equity market levels, number of CURO users, employee numbers and cost inflation. The Group considers that projected cash flows of the investment administration services and insurance and life assurance business CGUs are most sensitive to movements in equity markets, because they have a direct impact on the level of the Group's fee income, while the adviser back-office technology CGU is most sensitive to the number of CURO users, as this forms the basis of its licence income.

A sensitivity analysis has been performed, with key assumptions being revised adversely to reflect the potential for future performance being below expected levels. This estimated that a fall in equity markets of approximately 45%, or a reduction of CURO users of approximately 30% compared to expectations, would be required before the carrying value of any CGU would exceed the recoverable amount.

13. Property, plant and equipment – Group

	LEASEHOLD IMPROVEMENTS £m	EQUIPMENT £m	FIXTURES AND FITTINGS £m	MOTOR VEHICLES £m	TOTAL £m
Cost					
At 1 October 2022	1.7	3.7	0.2	-	5.6
Additions	0.1	0.4	0.1	0.1	0.7
Disposals	-	(0.4)	-	-	(0.4)
Reclassification	-	(0.2)	0.2	-	-
Foreign exchange	-	(0.1)	-	-	(0.1)
At 30 September 2023	**1.8**	**3.4**	**0.5**	**0.1**	**5.8**
Depreciation					
At 1 October 2022	1.4	2.9	0.1	-	4.4
Charge in the year	0.1	0.7	0.1	-	0.9
Disposals	-	(0.5)	-	-	(0.5)
Reclassification	-	(0.1)	0.1		-
Foreign exchange	-	(0.1)	-	-	(0.1)
At 30 September 2023	**1.5**	**2.9**	**0.3**	**-**	**4.7**
Net Book Value					
At 30 September 2022	0.3	0.8	0.1	-	1.2
At 30 September 2023	0.3	0.5	0.2	0.1	1.1
Cost					
At 1 October 2021	1.7	3.6	0.2	-	5.5
Additions	-	0.3	-	-	0.3
Disposals	-	(0.2)	-	-	(0.2)
At 30 September 2022	**1.7**	**3.7**	**0.2**	**-**	**5.6**
Depreciation					
At 1 October 2021	1.3	2.3	0.1	-	3.7
Charge in the year	0.1	0.8	-		0.9
Disposals	-	(0.2)	-	-	(0.2)
At 30 September 2022	**1.4**	**2.9**	**0.1**	**-**	**4.4**
Net Book Value					
At 30 September 2021	0.4	1.3	0.1	-	1.8
At 30 September 2022	0.3	0.8	0.1	-	1.2

The Company holds no property, plant and equipment.

14. Right-of-use assets – Property – Group

Cost	**£m**
At 1 October 2022	6.6
Additions	0.4
Disposals	(5.2)
Foreign exchange	(0.1)
At 30 September 2023	1.7

Depreciation	**£m**
At 1 October 2022	4.5
Charge in the year	1.4
Disposals	(5.2)
At 30 September 2023	0.7

Net Book Value	
At 30 September 2022	2.1
At 30 September 2023	1.0

Cost	**£m**
At 1 October 2021	6.5
Foreign exchange	0.1
At 30 September 2022	6.6

Depreciation	**£m**
At 1 October 2021	2.8
Charge in the year	1.7
At 30 September 2022	4.5

Net Book Value	
At 30 September 2021	3.6
At 30 September 2022	2.1

Depreciation is calculated on a straight line basis over the term of the lease.

During the year, the right of use asset for the Group's Clement's Lane office was fully depreciated as the lease came to an end in June 2023. The Group has 'security of tenure' and therefore the original lease continues until it is terminated by either party. The Group intends to occupy the building whilst the terms of the new lease are finalised. Costs of the lease from July 2023 onwards were therefore recognised directly in the statement of comprehensive income as occupancy costs.

15. Investment in subsidiaries

	2023 £m	2022 £m
Carrying value at 1 October	33.3	31.6
Share-based payments	2.0	1.7
Carrying value at 30 September	**35.3**	**33.3**

The Company has investments in the ordinary share capital of the following subsidiaries at 30 September 2023:

NAME OF COMPANY	HOLDING	% HELD	INCORPORATION AND SIGNIFICANT PLACE OF BUSINESS	BUSINESS
Direct holdings				
Integrated Financial Arrangements Ltd	Ordinary Shares	100%	United Kingdom	Investment Administration
IntegraFin Services Limited	Ordinary Shares	100%	United Kingdom	Services Company
Transact IP Limited	Ordinary Shares	100%	United Kingdom	Software provision & development
Integrated Application Development Pty Ltd	Ordinary Shares	100%	Australia	Software maintenance
Transact Nominees Limited	Ordinary Shares	100%	United Kingdom	Non-trading
IntegraLife UK Limited	Ordinary Shares	100%	United Kingdom	Life Insurance
IntegraLife International Limited	Ordinary Shares	100%	Isle of Man	Life Assurance
Transact Trustees Limited	Ordinary Shares	100%	United Kingdom	Non-trading
Objective Funds Limited	Ordinary Shares	100%	United Kingdom	Dormant
Objective Wealth Management Limited	Ordinary Shares	100%	United Kingdom	Dormant
Time For Advice Limited	Ordinary Shares	100%	United Kingdom	Financial planning software
Indirect holdings				
IntegraFin Limited	Ordinary Shares	100%	United Kingdom	Non-trading
ObjectMastery (UK) Limited	Ordinary Shares	100%	United Kingdom	Dormant
IntegraFin (Australia) Pty Limited	Ordinary Shares	100%	Australia	Non-trading

15. Investment in subsidiaries (continued)

The Group has 100% voting rights on shares held in each of the subsidiary undertakings.

All the UK subsidiaries have their registered office address at 29 Clement's Lane, London, EC4N 7AE. ILInt's registered office address is at 18-20 North Quay, Douglas, Isle of Man, IM1 4LE. IntegraFin (Australia) Pty's registered office address is at Level 4, 854 Glenferrie Road, Hawthorn, Victoria, Australia 3122. Integrated Application Development Pty Ltd.'s registered office address is 19-25 Camberwell Road, Melbourne, Australia.

The above subsidiaries have all been included in the consolidated Financial Statements.

Integrated Financial Arrangements Ltd is authorised and regulated by the Financial Conduct Authority. The principal activity of the Company and its subsidiaries is the provision of 'Transact', a wrap service that arranges and executes transactions between clients, their financial advisers and financial product providers including investment managers and stockbrokers.

IntegraFin Services Limited (ISL), is the Group services company. All intra-group service contracts are held by this services company.

Integrated Application Development Pty Ltd (IAD Pty) provides software maintenance services to the Group.

IntegraFin Limited is the trustee of the IntegraSIP Share Incentive Plan, which was set up to allocate Class C Shares in the capital of the Company to staff. IntegraFin Limited undertakes no other activities.

Transact Nominees Limited holds customer assets as a nominee company on behalf of Integrated Financial Arrangements Ltd.

IntegraFin (Australia) Pty Limited is currently non-trading.

Transact IP Limited licenses its proprietary software to other members of the IntegraFin Group.

IntegraLife UK Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Its principal activity is the transaction of ordinary long-term insurance business within the United Kingdom.

IntegraLife International Limited is authorised and regulated by the Isle of Man Financial Services Authority and its principal activity is the transaction of ordinary long-term insurance business within the United Kingdom through the Transact Offshore Bond.

Time For Advice Limited is a specialist software provider for financial planning and wealth management.

16. Loans

This note analyses the loans payable by and receivable to the Company. The carrying amounts of loans are as follows:

Loans receivable

	2023 £m	2022 £m
Loans receivable from third parties	6.5	5.7
Interest receivable on loans	0.1	-
Total gross loans	**6.6**	**5.7**
Expected credit losses	(0.3)	(0.2)
Total net loans	**6.3**	**5.5**

Movement in the expected credit losses for the loan is as follows:

	2023 £m	2022 £m
Opening expected credit losses	(0.2)	(0.2)
Increase during the year	(0.1)	-
Balance at 30 September	**(0.3)**	**(0.2)**

The loans receivable are measured at amortised cost with the expected credit losses charged straight to the statement of comprehensive income.

Loans payable

	2023 £m	2022 £m
Loan payable to subsidiary	7.0	8.0
To be settled within 12 months	1.0	1.0
To be settled after 12 months	6.0	7.0
Total loan payable	**7.0**	**8.0**

The loans payable are initially recognised at fair value. Subsequent measurement is at amortised cost using the effective interest method. The interest charge is recognised on the statement of comprehensive income.

Interest on the loan is paid quarterly, whilst the remaining capital repayments are annual over the next 7 years.

17. Investments held for the benefit of policyholders

	2023 COST £m	2023 FAIR VALUE £m	2022 COST £m	2022 FAIR VALUE £m
ILInt				
Investments held for the benefit of policyholders	2,155.5	2,310.3	1,988.9	2,057.2
	2,155.5	**2,310.3**	**1,998.9**	**2,057.2**
ILUK				
Investments held for the benefit of policyholders	19,249.9	20,711.4	19,215.4	18,658.6
	19,249.9	**20,711.4**	**19,215.4**	**18,658.6**
Total	**21,405.4**	**23,021.7**	**21,214.3**	**20,715.8**

All amounts are current as customers are able to make same-day withdrawal of available funds and transfers to third-party providers are generally performed within a month.

These assets are held to cover the liabilities for unit linked investment contracts. All contracts with customers are deemed to be investment contracts and, accordingly, assets are 100% matched to corresponding liabilities.

18. Liabilities for linked investment contracts

	2023 FAIR VALUE £m	2022 FAIR VALUE £m
ILInt		
Unit linked liabilities	2,481.5	2,201.4
	2,481.5	**2,201.4**
ILUK		
Unit linked liabilities	21,959.4	19,973.0
	21,959.4	**19,973.0**
Total	**24,440.9**	**22,174.4**

Analysis of change in liabilities for linked investment contracts

	2023 £m	2022 £m
Opening balance	22,174.4	23,053.4
Investment inflows	2,670.3	3,113.9
Investment outflows	(1,400.5)	(1,163.1)
Changes in fair value of underlying assets	1,024.1	(2,729.0)
Investment income	225.1	151.5
Other fees and charges - Transact	(59.2)	(59.7)
Other fees and charges – third parties	(193.3)	(192.6)
Closing balance	**24,440.9**	**22,174.4**

The benefits offered under the unit-linked investment contracts are based on the risk appetite of policyholders and the return on their selected collective fund investments, whose underlying investments include equities, debt securities, property and derivatives. This investment mix is unique to individual policyholders. When the diversified portfolio of all policyholder investments is considered, there is a clear correlation with the FTSE 100 index and other major world indices, providing a meaningful comparison with the return on the investments.

The maturity value of these financial liabilities is determined by the fair value of the linked assets at maturity date. There will be no difference between the carrying amount and the maturity amount at maturity date.

19. Cash and cash equivalents

	2023 £m	2022 £m
Bank balances – instant access	165.9	173.5
Bank balances – notice accounts	12.0	9.5
Total	**177.9**	**183.0**

Bank balances held in instant access accounts are current and available for use by the Group.

All of the bank balances held in notice accounts require less than 35 days’ notice before they are available for use by the Group.

20. Cash held for the benefit of policyholders

	2023 £m	2022 £m
Cash and cash equivalents held for the benefit of the policyholders – instant access - ILUK	1,248.0	1,314.3
Cash and cash equivalents held for the benefit of the policyholders – instant access - ILInt	171.2	144.2
Total	**1,419.2**	**1,458.5**

Cash and cash equivalents held for the benefit of the policyholders are held to cover the liabilities for unit linked investment contracts. These amounts are 100% matched to corresponding liabilities.

21. Investments

	GROUP 2023 £m	GROUP 2022 £m
Fair value through profit or loss		
Listed shares and securities	0.1	0.1
Gilts	-	3.0
Total	**0.1**	**3.1**
Amortised cost		
Gilts	**22.3**	**-**
Total	**22.3**	**-**
	22.4	**3.1**

In July 2023, the previously held gilt of £3.0 million matured, and new gilts of £22.3 million were purchased in August 2023. These gilts are interest-bearing and the associated income is referenced in note 9 as “interest on financial investments”.

22. Prepayments and accrued income

	GROUP 2023 £m	COMPANY 2023 £m	GROUP 2022 £m	COMPANY 2022 £m
Accrued income	13.5	-	13.1	-
Less: expected credit losses	(1.0)	-	(1.0)	-
Accrued income - net	12.5	-	12.1	-
Prepayments	4.7	-	5.1	0.1
Total	**17.2**	**-**	**17.2**	**0.1**

Movement in the expected credit losses (for accrued income, loans receivable and trade and other receivables) is as follows:

	2023 £m	2022 £m
Opening expected credit losses	(1.0)	(0.8)
Increase during the year	-	(0.2)
Balance at 30 September	**(1.0)**	**(1.0)**

23. Trade and other receivables

	GROUP 2023 £m	COMPANY 2023 £m	GROUP 2022 £m	COMPANY 2022 £m
Other receivables	3.2	-	2.1	-
Less: expected credit losses	(0.1)	-	(0.1)	-
Other receivables net	**3.1**	**-**	**2.0**	**-**
Amounts owed by Group undertakings	-	0.1	-	0.2
Repayment interest due from HMRC	0.4	-	-	-
Total	**3.6**	**0.1**	**2.0**	**0.2**

Amount due from HMRC is in respect of tax claimed on behalf of policyholders for tax deducted at source.

24. Trade and other payables

	GROUP 2023 £m	COMPANY 2023 £m	GROUP 2022 £m	COMPANY 2022 £m
Trade payables	0.7	-	1.6	-
PAYE and other taxation	2.6	0.1	2.2	0.1
Other payables	6.8	0.4	7.7	0.3
Accruals	7.8	0.4	8.3	0.3
Deferred consideration	1.6	1.6	1.7	1.7
Total	**19.5**	**2.5**	**21.5**	**2.4**

Other payables mainly comprises £5.3 million (FY22: £4.8 million) in relation to bonds awaiting approval.

25. Lease liabilities

	2023 £m	2022 £m
Opening balance	2.8	5.1
Additions	0.2	-
Lease payments	(2.0)	(2.4)
Interest expense	0.1	0.1
Balance at 30 September	1.1	2.8
Amounts falling due within one year	0.3	1.9
Amounts falling due after one year	0.8	0.9

The Group has various leases in respect of property as a lessee. Lease terms are negotiated on an individual basis and run for a period of one to five years.

As per note 14, the lease for the Group's Clement's Lane office ended in June 2023.

26. Deferred tax

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 20% (FY22: 20%) on policyholder assets and liabilities and 25% (FY22: 25%) on non-policyholder items. The increase in the UK corporation tax rate from the current rate of 19% to 25% was substantively enacted in May 2021. This new rate has been applied to deferred tax balances which are expected to reverse after 1 April 2023, the date on which that new rate becomes effective.

Deferred Tax Asset

	ACCELERATED CAPITAL ALLOWANCES	SHARE BASED PAYMENTS	POLICYHOLDER UNREALISED LOSSES/ (UNREALISED GAINS)	POLICYHOLDER EXCESS MANAGEMENT EXPENSES AND DEFERRED ACQUISITION COSTS	POLICYHOLDER UNREALISED LOSSES ON INVESTMENT TRUSTS	OTHER DEDUCTIBLE TEMPORARY DIFFERENCES	TOTAL
	£m	£m	£m	£m	£m	£m	£m
At 1 October 2021	-	0.6	-	-	-	0.1	0.7
Excess tax relief charged to equity		(0.3)					(0.3)
Charge to income	0.1	0.2	8.1	2.2	0.2	-	10.8
Offset Deferred Tax Liability			(5.2)				(5.2)
At 30 September 2022	**0.1**	**0.5**	**2.9**	**2.2**	**0.2**	**0.1**	**6.0**
Excess tax relief charged to equity	-	0.2	-	-	-	-	0.2
Charge to income	-	(0.2)	(2.9)	0.3	0.4	0.1	(2.3)
Offset Deferred Tax Liability	-	-	-	(2.5)	(0.6)	(0.1)	(3.2)
At 30 September 2023	**0.1**	**0.5**	**-**	**-**	**-**	**0.1**	**0.7**

Deferred Tax Liability

	ACCELERATED CAPITAL ALLOWANCES	POLICYHOLDER TAX ON UNREALISED GAINS	OTHER TAXABLE DIFFERENCES	TOTAL
	£m	£m	£m	£m
At 1 October 2021	0.1	28.4	1.0	29.5
Charge to income	(0.1)	(23.2)	(0.1)	(23.4)
Offset against Deferred Tax asset	-	(5.2)		(5.2)
At 30 September 2022	**-**	**-**	**0.9**	**0.9**
Charge to income	-	9.6	(0.1)	9.5
Offset against Deferred Tax asset		(3.1)	(0.1)	(3.2)
At 30 September 2023	**-**	**6.5**	**0.7**	**7.2**

The Company has no deferred tax assets or liabilities.

27. Provisions - Group

	2023 £m	2022 £m
Balance brought forward	56.8	17.8
(Decrease)/increase in dilapidations provision	-	(0.3)
Decrease in ILInt non-linked unit provision	-	(0.1)
(Decrease)/increase in ILUK policyholder reserves	(9.7)	45.0
Increase/(decrease) in other provisions	1.1	(5.6)
Balance carried forward	**48.2**	**56.8**
Amounts falling due within one year	7.7	10.7
Amounts falling due after one year	40.5	46.1
Dilapidations provisions	0.2	0.2
Other provisions	1.1	-
ILUK policyholder reserves	46.9	56.6
Total	**48.2**	**56.8**

ILUK policyholder reserve comprises claims received from HMRC that are yet to be returned to policyholders, charges taken from unit-linked funds and claims received from HMRC to meet current and future policyholder tax obligations. These are expected to be paid to policyholders over the course of the next seven years.

28. Contingent consideration – Group and company

	2023 £m	2022 £m
Contingent consideration	-	1.7

The T4A acquisition cost included additional consideration between £0 and £8.6 million, which was payable in January 2025 and contingent on T4A meeting certain highly stretching performance targets over the next four years. During the year, it was determined that T4A is not expected to meet these targets, and therefore, the contingent consideration recognised to date has been released.

29. Share-based payments

Share-based payment reserve	**GROUP 2023 £m**	**COMPANY 2023 £m**	**GROUP 2022 £m**	**COMPANY 2022 £m**
Balance brought forward	2.6	2.2	2.4	1.7
Movement in the year	0.8	0.5	0.2	0.5
Balance carried forward	**3.4**	**2.7**	**2.6**	**2.2**

Share schemes

(i) SIP 2005

IFAL implemented a SIP trust scheme for its staff in October 2005. The SIP is an approved scheme under Schedule 2 of the Income Tax (Earnings & Pensions) Act 2003.

This scheme entitled all the staff who were employed in October 2005 to Class C shares in IFAL, subject to their remaining in employment with the Company until certain future dates.

The Trustee for this scheme is IntegraFin Limited, a wholly owned non-trading subsidiary of IFAL.

Shares issued under the SIP may not be sold until the earlier of three years after issue or cessation of employment by the Group. If the shares are held for five years they may be sold free of income tax or capital gains tax. There are no other vesting conditions.

The cost to the Group in the financial year to 30 September 2023 was £nil (FY22: £nil). There have been no new share options granted.

(ii) SIP 2018

The Company implemented an annual SIP awards scheme in January 2019. This is an approved scheme under Schedule 2 of the Income Tax (Earnings & Pensions) Act 2003, and entitles all eligible employees to ordinary shares in the Company. The shares are held in a UK Trust.

The scheme includes the following awards:

Free Shares

The Company may give Free Shares up to a maximum value, calculated at the date of the award of such Free Shares, of £3,600 per employee in a tax year.

The share awards are made by the Company each year, dependent on 12 months continuous service at 30 September. The cost to the Group in the financial year to 30 September 2023 was £0.8m (FY22: £0.6m).

Partnership and Matching Shares

The Company provides employees with the opportunity to enter into an agreement with the Company to enable such employees to use part of their pre-tax salary to acquire Partnership Shares. If employees acquire Partnership Shares, the board grants relevant Matching Shares at a ratio of 2:1.

The cost to the Group in the financial year to 30 September 2023 was £0.5m (FY22: £0.5m).

(iii) Performance Share Plan

The Company implemented an annual PSP scheme in December 2018. Awards granted under the PSP take the form of options to acquire Ordinary Shares for nil consideration. These are awarded to Executive Directors, Senior Managers and other employees of any Group Company, as determined by the Remuneration Committee.

The exercise of the PSP awards is conditional upon the achievement of a performance condition set at the time of grant and measured over a three-year performance period.

The cost to the Group in the financial year to 30 September 2023 was £0.9m (FY22: £0.8m). This is based on the fair value of the share options at grant date, rather than on the purchase cost of shares held in the Employee Benefit Trust reserve, in line with IFRS 2 Share-based Payment.

29. Share-based payments (continued)

Details of the share awards outstanding are as follows:

	2023 SHARES (NUMBER)	2022 SHARES (NUMBER)
SIP 2018		
Shares in the plan at start of the year	854,247	692,683
Granted	504,113	292,318
Shares withdrawn from the plan	(152,748)	(130,754)
Shares in the plan at end of year	**1,205,612**	**854,247**
Available to withdraw from the plan at end of year	**557,544**	**314,161**

Details of the movements in the share scheme during the year are as follows:

	2023 WEIGHTED AVERAGE EXERCISE PRICE (PENCE)	2023 SHARES (NUMBER)	2022 WEIGHTED AVERAGE EXERCISE PRICE (PENCE)	2022 SHARES (NUMBER)
SIP 2005				
Outstanding at start of the year	0.00	805,509	0.00	872,709
Shares withdrawn from the plan	0.00	(42,804)	0.00	(67,200)
Shares in the plan at end of year	**0.00**	**762,705**	**0.00**	**805,509**
Available to withdraw from the plan at end of year	**0.00**	**762,705**	**0.00**	**805,509**

The weighted average share price at the date of withdrawal for shares withdrawn from the plan during the year was 273.1 pence (FY22: 425.5 pence).

At 30 September 2023 the exercise price was £nil as they were all nil cost options.

	2023 WEIGHTED AVERAGE EXERCISE PRICE (PENCE)	2023 SHARES (NUMBER)	2022 WEIGHTED AVERAGE EXERCISE PRICE (PENCE)	2022 SHARES (NUMBER)
PSP				
Outstanding at start of the year	0.00	675,307	0.00	576,088
Granted	0.00	293,376	0.00	184,772
Forfeited	0.00	-	0.00	-
Exercised	0.00	(69,019)	0.00	(85,553)
Outstanding at end of year	**0.00**	**899,664**	**0.00**	**675,307**
Exercisable at end of year	**0.00**	**249,985**	**0.00**	**183,958**

29. Share-based payments (continued)

The fair value of options granted during the year has been estimated using the Black-Scholes model. The principal assumptions used in the calculation were as follows:

	2023	2022
PSP		
Share price at date of grant	287.8	522.5p
Exercise price	Nil	Nil
Expected life	3 years	3 years
Risk free rate	3.5%	0.7%
Dividend yield	3.5%	1.9%
Weighted average fair value per option	**258.8p**	**493.3p**

30. Employee Benefit Trust reserve

Group:	**2023** **£m**	**2022** **£m**
Balance brought forward	(2.4)	(2.1)
Purchase of own shares	(0.2)	(0.3)
Balance carried forward	**(2.6)**	**(2.4)**

Company:	**2023** **£m**	**2022** **£m**
Balance brought forward	(2.1)	(1.8)
Purchase of own shares	(0.3)	(0.3)
Balance carried forward	**(2.4)**	**(2.1)**

The Employee Benefit Trust (“EBT”) was settled by the Company pursuant to a trust deed entered into between the Company and Intertrust Employee Benefit Trustee Limited (“Trustee”). The Company has the power to remove the Trustee and appoint a new trustee. The EBT is a discretionary settlement and is used to satisfy awards made under the PSP.

The Trustee purchases existing Ordinary Shares in the market, and the amount held in the EBT reserve represents the purchase cost of IHP shares held to satisfy options awarded under the PSP scheme. IHP is considered to be the sponsoring entity of the EBT, and the assets and liabilities of the EBT are therefore recognised as those of IHP. Shares held in the trust are treated as own shares and shown as a deduction from equity.

31. Other reserves – Group

	2023 £m	2022 £m
Foreign exchange reserves	(0.1)	-
Non-distributable merger reserve	5.7	5.7

Foreign exchange reserves are gains/losses arising on retranslating the net assets of IAD Pty into sterling.

Non-distributable reserves relate to the non-distributable merger reserve held by one of the Company's subsidiaries, IFAL, which is classified within other reserves on a Group level.

32. Related parties

During the year the Company did not render nor receive any services with related parties within the Group, and at the year end the Company had the following intra-Group receivables:

	AMOUNTS OWED BY RELATED PARTIES	
Company	**2023 £m**	**2022 £m**
Integrated Financial Arrangements Ltd	-	0.1

A loan of £10 million was issued to the Company by IntegraLife UK Limited in FY21. This is an arm's length transaction as interest is charged at a commercial rate. IHP is paying the loan off over ten years and made the second payment of £1 million, plus accrued interest, during the year. The current loan balance is £7 million.

The Group has not recognised any expected credit losses in respect of related party receivables, nor has it been given or received any guarantee during 2023 or 2022 regarding related party transactions.

Payments to key management personnel, defined as members of the board, are shown in the Remuneration Report. Directors of the Company received a total of £3.6 million (FY22: £3.6 million) in dividends during the year and benefitted from staff discounts for using the platform of £4k (FY22: £2k). The number of IHP shares held at the end of the year by key management personnel was 35,321,348, an increase of 132,224 from last year.

Schrodinger Pty Ltd, the company which leases office space to IAD Pty in Melbourne, Australia, is considered a related party of the Company, as Michael Howard has control or

32. Related parties (continued)

joint control of Schrodinger and is a member of the key management personnel (as a director) of the Company. During the year IAD Pty paid Schrodinger £0.3 million (FY22: £0.3 million) in relation to the lease. The lease has been in place since April 2012 and was last renewed in May 2021.

ObjectMastery Services Pty Ltd (OM) provides the service of executive directors consultancy services to IAD Pty, and IAD Pty provides consultancy and book-keeping services to OM. OM is considered a related party of the Company, as Michael Howard has control or joint control of it. IAD Pty paid OM £71k (FY22: £72k) for services received during the year, £44k (FY22: £44k) of which related to Michael Howard's services. IAD Pty received £43k (FY22: £39k) from OM for services provided during the year. IAD owed £2k to OM as at 30 September 2023 (30 September 2022: £1k).

The Schrodinger and OM related party transactions and balances were not disclosed in the financial year 2022 related parties note, so the above has been restated to include this.

All of the above transactions are commercial transactions undertaken in the normal course of business.

33. Contingent liability

There are some assets in ILUK policyholder linked funds which are under review. Our current best estimate of possible future outflow, in the event of remediation, is £1.2 million. A future outflow is possible but not probable and the timing of any outflow is uncertain. Accordingly, no provision for any liability has been made in these financial statements.

34. Events after the reporting date

As per the Chair's statement on page 3, a second interim dividend of 7.0 pence per share was declared on 13 December 2023. This dividend has not been accrued in the consolidated statement of financial position.

35. Dividends

During the year to 30 September 2023 the Company paid interim dividends of £33.7 million (FY22: £33.8 million) to shareholders. The Company received dividends from subsidiaries of £33.4 million (FY22: £45.0 million).

36. Restatement of prior period information

Certain changes have been made to the comparative financial information included in these financial statements in order to correct prior period errors and align it to the current year presentation. These changes are noted in the tables below.

No prior year opening balance sheet has been included in these financial statements, given there is no impact to total assets, total liabilities, profit or equity, and the nature of the values impacted are such that they do not change from year to year to an extent that would influence the decision of a user.

Consolidated Statement of Cash Flows

The following changes have been made to the comparative information in the Consolidated Statement of Cash Flows:

- Profit on ordinary activities before taxation attributable to policyholders and shareholders has been used as the starting point of cash flows from operating activities, rather than profit on ordinary activities before taxation. Increase/(decrease) in policyholder tax recoverable has subsequently been adjusted to reflect the movement in tax attributable to shareholder and policyholder returns

- All other movements relate to reclassifications between headings

Consolidated Statement of Cash Flows (continued)

	PER 2022 FINANCIAL STATEMENTS £m	MOVEMENT £m	RESTATED 2022 £m
Cash flows from operating activities			
Profit on ordinary activities before taxation	54.3	(54.3)	-
Profit on ordinary activities before taxation attributable to policyholders and shareholders	-	15.8	15.8
Adjustments for non-cash movements (previously income statement non-cash movements):			
Release of actuarial provision	(0.5)	0.5	-
Interest charged on lease	-	0.1	0.1
Increase in contingent consideration	-	0.9	0.9
Increase in provisions	-	38.5	38.5
Adjustments for cash effecting investing and financing activities:			
Interest charged on lease	0.1	(0.1)	-
Decrease in current asset investments	2.0	(2.0)	-
Adjustments for statement of financial position movements:			
Increase in contingent consideration	0.9	(0.9)	-
Settlement of share-based payment reserve	(1.3)	1.3	-
Increase in provisions	39.0	(39.0)	-
Adjustments for policyholder balances:			
Increase/(decrease) in policyholder tax recoverable	(44.5)	38.5	(6.0)
Cash generated from operations	**251.0**	**(2.0)**	**249.0**
Net cash flows (used in)/generated from operating activities	**237.5**	**(2.1)**	**235.4**
Investing activities			
Acquisition of property, plant and equipment (previously tangible assets)	(0.4)	0.1	(0.3)
Purchase of financial instruments	-	(3.0)	(3.0)
Redemption of financial instruments	-	5.0	5.0
Net cash (used in)/generated from investing activities	**(1.7)**	**2.1**	**0.4**
Financing activities			
Purchase of shares for share scheme awards	-	(1.3)	(1.3)
Net cash used in financing activities	**(36.6)**	**(1.3)**	**(37.9)**

Company Statement of Cash Flows

The following change has been made to the comparative information in the Company Statement of Cash Flows, which is a reclassification between headings:

	PER 2022 FINANCIAL STATEMENTS £m	MOVEMENT £m	RESTATED 2022 £m
Adjustments for non-cash movements:			
Settlement of share-based payment reserve	1.3	(1.3)	-
Net cash flows used in operating activities	**(5.5)**	**(1.3)**	**(4.2)**
Financing activities			
Purchase of shares for share scheme awards	-	(1.3)	(1.3)
Net cash used in financing activities	**(35.5)**	**(1.3)**	**(36.8)**

Note 3 - Financial instruments – (ii) Financial instruments by category

The following changes have been made to the comparative information within the financial instruments note 3, to the tables in (ii) Financial instruments by category table:

- Assets and liabilities which are not financial instruments have been presented in the note to allow users to clearly reconcile back to other supporting notes
- Accruals, contingent consideration, deferred consideration and balances due to HMRC have been reclassified from financial liabilities, to liabilities which are not financial instruments. Note that the bonus accrual was already excluded from the table as it was not classified as a financial instrument
- Liabilities held for the policyholders have been split to show the liabilities linked to cash holdings at amortised cost, with those linked to investments remaining at fair value through profit or loss
- Trade and other receivables has been restated to include the full balance, to correct an error in the note
- Trade and other payables has been split out to show trade payables and other payables separately, and has been restated to correct an error in the note

Note 3 - Financial instruments – (ii) Financial instruments by category (continued)

FINANCIAL ASSETS:	FAIR VALUE THROUGH THE PROFIT OR LOSS	AMORTISED COST		
	2022	PER 2022 FINANCIAL STATEMENTS	MOVEMENT	RESTATED 2022
	£m	£m	£m	£m
Trade and other receivables	-	0.6	1.4	2.0
Total financial assets	**20,718.9**	**1,659.8**		**1,661.2**

Assets which are not financial instruments	PER 2022 FINANCIAL STATEMENTS	MOVEMENT	RESTATED 2022
	£m	£m	£m
Prepayments	-	5.1	5.1
Current tax asset	-	15.0	15.0
	-		**20.1**

FINANCIAL LIABILITIES:	FAIR VALUE THROUGH THE PROFIT OR LOSS			AMORTISED COST		
	PER 2022 FINANCIAL STATEMENTS	MOVEMENT	RESTATED 2022	PER 2022 FINANCIAL STATEMENTS	MOVEMENT	RESTATED 2022
	£m	£m	£m	£m	£m	£m
Trade payables (previously trade and other payables)	-	-	-	7.4	(5.8)	1.6
Other payables	-	-	-	-	5.4	5.4
Accruals	-	-	-	3.0	(3.0)	-
Deferred consideration	-	-	-	1.7	(1.7)	-
Contingent consideration	1.7	(1.7)	-	-	-	-
Liabilities held for the policyholders	20,714.4	(1,458.6)	20,715.8	-	1,458.6	1,458.6
Total Financial liabilities	**22,176.1**		**20,715.8**	**14.9**		**1,468.4**

Liabilities which are not financial instruments	PER 2022 FINANCIAL STATEMENTS	MOVEMENT	RESTATED 2022
	£m	£m	£m
Accruals and deferred income	-	8.2	8.2
PAYE and other taxation	-	2.2	2.2
Other payables – due to HMRC	-	2.3	2.3
Deferred consideration	-	1.7	1.7
Contingent consideration	-	1.7	1.7
	-		**16.1**

Note 3 - Financial instruments – (ii) Financial instruments by category (continued)

The following table show the carrying values of the liabilities for the Company:

	AMORTISED COST		
	PER 2022 FINANCIAL STATEMENTS	MOVEMENT	RESTATED 2022
	£m	£m	£m
Trade payables (previously trade and other payables)	0.4	(0.4)	-
Loans payable (previously loans)	8.0	-	8.0
Deferred consideration	1.7	(1.7)	-
Contingent consideration	-	-	-
Accruals	0.2	(0.2)	-
Other payables	-	0.3	0.3
Due to Group undertakings	-	0.1	0.1
Total financial liabilities	**10.3**		**8.4**

Liabilities which are not financial instruments	PER 2022 FINANCIAL STATEMENTS	MOVEMENT	RESTATED 2022
	£m	£m	£m
Accruals and deferred income	-	0.3	0.3
PAYE and other taxation	-	0.1	0.1
Deferred consideration	-	1.7	1.7
Contingent consideration	-	1.7	1.7
	-		**3.8**

Note 4 - Risk and risk management – (3) Liquidity risk – Maturity schedule

The following changes have been made in the 2022 risk and risk management note 4, to the tables in (3) liquidity risk, maturity schedule:

- Corrected an error in the investment balance, as the amount was shown in thousands rather than millions
- Trade and other receivables has been restated to correct an error in the note
- Removed accruals, VAT balances included within other taxation, deferred consideration and contingent consideration as these have been reclassified to liabilities which are not financial instruments
- Lease liabilities have been added to the maturity table

Note 4 - Risk and risk management – (3) Liquidity risk – Maturity schedule (continued)

FINANCIAL ASSETS:

PER 2022 FINANCIAL STATEMENTS	UP TO 3 MONTHS	3-12 MONTHS	1-5 YEARS	OVER 5 YEARS	TOTAL
2022	**£m**	**£m**	**£m**	**£m**	**£m**
Investments	124.2	-	3.1	-	127.3
Trade and other receivables	2.0	0.2	-	-	2.2
Total	**22,495.7**	**0.2**	**8.6**	**-**	**22,504.5**

MOVEMENT	UP TO 3 MONTHS	3-12 MONTHS	1-5 YEARS	OVER 5 YEARS	TOTAL
2022	**£m**	**£m**	**£m**	**£m**	**£m**
Investments	(124.1)	-	(0.1)	-	(124.2)
Trade and other receivables	-	(0.2)	-	-	(0.2)
Total	**(124.1)**	**(0.2)**	**(0.1)**	**-**	**(124.4)**

RESTATED	UP TO 3 MONTHS	3-12 MONTHS	1-5 YEARS	OVER 5 YEARS	TOTAL
2022	**£m**	**£m**	**£m**	**£m**	**£m**
Investments	0.1	-	3.0	-	3.1
Trade and other receivables	2.0	-	-	-	2.0
Total	**22,371.6**	**-**	**8.5**	**-**	**22,380.1**

FINANCIAL LIABILITIES:

PER 2022 FINANCIAL STATEMENTS	UP TO 3 MONTHS	3-12 MONTHS	1-5 YEARS	OVER 5 YEARS	TOTAL
2022	**£m**	**£m**	**£m**	**£m**	**£m**
Trade and other payables	11.8	3.7	-	-	15.5
Deferred consideration	-	1.5	0.2	-	1.7
Contingent consideration	-	-	1.7	-	1.7
Total	**22,186.8**	**6.5**	**2.8**	**-**	**22,196.1**

MOVEMENT	UP TO 3 MONTHS	3-12 MONTHS	1-5 YEARS	OVER 5 YEARS	TOTAL
2022	**£m**	**£m**	**£m**	**£m**	**£m**
Trade and other payables	(4.8)	(3.7)	-	-	(8.5)
Lease liabilities	0.6	1.3	0.9	-	2.8
Deferred consideration	-	(1.5)	(0.2)	-	(1.7)
Contingent consideration	-	-	(1.7)	-	(1.7)
Total	**(4.8)**	**(5.2)**	**(1.9)**	**-**	**(11.9)**

RESTATED	UP TO 3 MONTHS	3-12 MONTHS	1-5 YEARS	OVER 5 YEARS	TOTAL
2022	**£m**	**£m**	**£m**	**£m**	**£m**
Trade and other payables	7.0	-	-	-	7.0
Lease liabilities	0.6	1.3	0.9	-	2.8
Total	**22,182.0**	**1.3**	**0.9**	**-**	**22,184.2**

Note 6 – Segmental reporting – Statement of financial position

The following changes have been made in the 2022 segmental reporting note 6, to the statement of financial position:

- Non-current assets and non-current liabilities have been adjusted by an equal amount to correct a prior year error in the note

	INSURANCE AND LIFE ASSURANCE BUSINESS		
	PER 2022 FINANCIAL STATEMENTS	MOVEMENT	RESTATED 2022
	£m	£m	£m
Assets			
Non-current assets	30.6	(5.2)	25.4
Total assets	**175.3**		**170.1**
Liabilities			
Non-current liabilities	52.8	(5.2)	47.6
Total liabilities	**75.3**		**70.1**

OTHER INFORMATION

DIRECTORS, COMPANY DETAILS, ADVISERS

Executive Directors
Alexander Scott
Michael Howard
Jonathan Gunby

Non-Executive Directors
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Christopher Munro
Rita Dhut
Caroline Banszky
Victoria Cochrane
Robert Lister

Company Secretary
Helen Wakeford

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Company number
8860879

GLOSSARY OF TERMS

AGM	Annual General Meeting
APM	Alternative Performance Measure
ARC	Audit and Risk Committee
BEIS	Business Energy and Industrial Strategy
CASS	Client Assets Sourcebook
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CMP/CPP	Company Maternity/Paternity Pay
CMT	Crisis Management Team
COO	Chief Operating Officer
COSO	Committee of Sponsoring Organisation of the Treadway Commission
CRO	Chief Risk Officer
CTO	Chief Technological Officer
DE&I	Diversity, Equity and Inclusion
DIM	Discretionary Investment Management
DNED	Designated Non-Executive Director
DTR	Disclosure Guidance and Transparency Rulebook
EBT	Employee Benefit Trusts
ETF	Exchange-traded Fund
FCA	Financial Conduct Authority
FRC	Financial Reporting Council
FUD	Funds Under Direction
GDPR	General Data Protection Regulation
GIA	General Investment Account
Gross inflow	Gross new business onto the platform
HMRC	His Majesty's Revenue and Customs
IAD	Integrated Application Development Pty Ltd
ICA	Individual Capital Assessment
ICARA	Internal Capital and Risk Assessment
IFAL	Integrated Financial Arrangements Ltd
IFPR	Investment Firm Prudential Regime
IFRS	International Financial Reporting Standards
IHP	IntegraFin Holdings Plc
ILInt	IntegraLife International Limited
ILUK	IntegraLife UK Limited
ISA	Individual Savings Account
ISAs (UK)	International Standards on Auditing (UK)
ISL	IntegraFin Services LTD
IT	Investment Trust
MI	Management Information
MiFID II	Second Markets in Financial Instruments Directive
MIFIDPRU	the Prudential sourcebook for MiFID Investment Firms
MPS	Managed Portfolio Service
NED	Non-Executive Director
Net inflow	Net new business onto the platform
ORSA	Own Risk and Solvency Assessment
Outflow	Business leaving the platform
PRA	Prudential Regulation Authority
RMF/RMP	Risk Management Framework/Policy
SCR	Solvency Capital Requirement
SID	Senior Independent Director
SIP	Share Incentive Program
TCF	Treating Customers Fairly
TCFD	Task Force on Climate-Related Financial Disclosures
The Company	IntegraFin Holdings plc
The Group	IntegraFin Holdings plc and its subsidiaries
VCT	Venture Capital Trust

Glossary of Alternative Performance Measures ("APMs")

Various alternative performance measures are referred to in the Annual Report, which are not defined by IFRS. They are used in order to provide better insight into the performance of the Group. Further details are provided below.

APM	FINANCIAL DATA PAGE REF	DEFINITION AND PURPOSE
Operational performance measures		
Funds under direction ("FUD")	Data sourced internally	Calculated as the total market value of all cash and assets on the platform, valued as at the respective year end.

YEAR END	2023 £bn	2022 £bn
Cash	3.92	3.51
Assets	51.04	46.56
FUD	54.96	50.07
% change on the previous year	10%	(4%)

AVERAGE DAILY FUD	2023 £bn	2022 £bn
Cash	3.54	3.23
Assets	50.10	49.27
FUD	53.64	52.50
% change on the previous year	3%	11%

The measurement of FUD is the primary driver of the largest component of the Group's revenue. FUD is used to derive the annual commissions due to the Group.

These values are not reported within the financial statements or the accompanying notes.

APM	FINANCIAL DATA PAGE REF	DEFINITION AND PURPOSE
Gross inflows and Net inflows	Data sourced internally	Calculated as gross inflows onto the platform less outflows leaving the platform by clients during the respective financial year.

Inflows and outflows are measured as the total market value of assets and cash joining or leaving the platform.

	2023 £bn	2022 £bn
Gross inflows	6.41	7.28
Outflows	3.75	2.88
Net inflows	2.66	4.40
% change on the previous year	(40%)	(11%)

The measurement of net inflows onto the platform shows the net movement of cash and assets on the platform during the year. This directly contributes to FUD and therefore revenue.

These values are not reported within the financial statements or the accompanying notes.

Adviser and client numbers

Data sourced internally

Calculated as the total number of advisers or clients as at the financial year end.

Advisers are calculated as the number of advisers on the platform.

Clients are calculated as the total number of clients on the platform.

T4A licence users calculated as the total number of core licence users active on the CURO platform.

	2023 £'000	2022 £'000
Advisers	7.7	7.5
% increase	2%	5%
Clients	230.3	224.7
% increase	2%	8%
T4A licence users	2.8	2.3
% increase	22%	44%

This measurement is an indicator of our presence in the market.

These values are not reported within the financial statements or the accompanying notes.

Client retention

Data sourced internally

Calculated as the total number of clients with a non-zero valuation present in the final month of both financial periods, as a percentage of total clients in the current financial period.

	2023	2022
Client retention	95%	97%

This is a measurement of client loyalty and an indicator of customer satisfaction with our services provided.

These values are not reported within the financial statements or the accompanying notes.

Income statement measures

Non-underlying expenses

Consolidated statement of comprehensive income

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Calculated as costs which have been incurred outside of the ordinary course of the business.

NON-UNDERLYING EXPENSES	2023 £m	2022 £m
Backdated VAT	-	8.0
Interest on backdated VAT	-	0.8
Other	0.4	2.7
Non-underlying expenses	0.4	11.5

Our non-underlying expenses represent costs which do not relate to our recurring business operations and hence should be separated from operating expenses in the income statement.

Other costs consist of post-combination remuneration. Post-combination remuneration relates to the payment to the original shareholders of T4A. This is comprised of the deferred and additional consideration payable in relation to the acquisition of T4A and is recognised as remuneration over four years from January 2021 to December 2024.

T4A is not expected to meet the minimum threshold for highly stretching targets to earn the additional consideration element of post combination remuneration. Therefore, the post combination expense in respect of the additional consideration element that was recognised in FY22 of £1.6 million has been released, and we have not recognised any cost in FY23.

Moreover, the post combination consideration cost in respect of FY24 and FY25 is expected to reduce to £2.1 million and £0.4 million respectively, as only the deferred consideration element will now be recognised.

Underlying earnings per share

Financial review

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Calculated as profit after tax net of non-underlying expenses, divided by called up equity share capital.

	2023 £m	**2022 £m**
Profit after tax	49.9	44.0
Non-underlying expenses	0.4	11.5
Tax allowable element of costs	-	(1.4)
Underlying profit after tax	50.3	54.1
Divide by: Called up equity share capital	3.3	3.3
Underlying earnings per share	15.2p	16.3p

Underlying profit before tax

Financial review

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Calculated as profit before tax net of non-underlying expenses.

	2023 £m	**2022 £m**
Profit before tax	62.6	54.3
Add: Non-underlying expenses	0.4	11.5
Underlying profit before tax	63.0	65.8

Cash flow measures

Shareholder returns	Consolidated statement of comprehensive income Page 166	Calculated as dividend per share paid to shareholders, which relate to the respective financial years.

	2023	2022
1st interim dividend	3.2 pence	3.2 pence
2nd interim dividend	7.0 pence	7.0 pence
Shareholder returns	10.2 pence	10.2 pence
% increase on previous financial year	0.0%	2.0%

There are generally two dividend payments made relating to each financial year. Shareholder returns is a measurement of the total cash dividend received by each shareholder for each individual share held by them.

Dividend policy	Consolidated statement of comprehensive income Page 166	Calculated as total cash dividends paid in relation to the respective financial year, divided by the post-tax profit relating to that same financial year.

	2023 £m	2022 £m
Total cash dividends paid	33.7	33.7
Profit for the financial year	49.9	44.0
Dividends as a % of profit	68%	77%

Our policy is to pay 60% to 65% of full year profit after tax as two interim dividends.

Delivery on dividend policy is a measurement of our performance against the policy and the businesses ability to generate distributable profits.

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