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18 December 2024

IntegraFin Holdings plc
Announcement of full year results for the year ended 30 September 2024

IntegraFin Holdings plc ("IHP", or "the Group") operator of Transact, the UK's premium investment platform for clients and UK financial advisers, is pleased to report its full year results.

The Group continues to deliver strong financial and operational progress

Financial and operational highlights

- Closing Funds Under Direction (FUD) grew 17% to £64.1bn (FY23:£55.0bn), supported by net inflows of £2.5bn (FY23:£2.7bn)
- Revenue increased 7% to £144.9m (FY23: £134.9m), driven by higher average daily FUD on the Transact platform
- Underlying profit before tax grew 12% to £70.6m (FY23: 63.0m)
- Underlying earnings per share grew 7% in FY24, despite the impact of the first full year operating with a 25% rate of UK corporation tax
- The Group's investment in its proprietary technology delivered further improvements to the Transact platform, widening digitalisation across a range of processes and implementing valuable integrations
- Declared second interim dividend of 7.2 pence per ordinary share, resulting in a total dividend for the year of 10.4 pence per share (2023: 10.2 pence per share). The dividend is payable on 31 January 2025 to ordinary shareholders on the register on 03 January 2025. The ex-dividend date will be 02 January 2025.

Financial information

IHP Group	**Year to 30 September 2024**	Year to 30 September 2023	% Movement
Total Group revenue	**£144.9m**	£134.9m	+7%
Reported profit before tax	**£68.9m**	£62.6m	+10%
Underlying profit before tax	**£70.6m**	£63.0m	+12%
Reported earnings per share	**15.7p**	15.1p	+4%
Underlying earnings per share	**16.2p**	15.2p	+7%
Total dividend per share	**10.4p**	10.2p	+2%

Transact platform	**Year ended 30 September 2024**	Year ended 30 September 2023	% Movement
Net inflows	**£2.5bn**	£2.7bn	-7%
Closing FUD	**£64.1bn**	£55.0bn	+17%
Average daily FUD	**£59.6bn**	£53.6bn	+11%
Transact platform clients *	**234,998**	230,294	+2%
Transact platform registered advisers *	**8,048**	7,683	+5%

Time4Advice	Year ended 30 September 2024	Year ended 30 September 2023	% Movement
Total number of chargeable CURO software users *	**3,098**	2,752	+13%

*as at 30 September

Commenting on the full year results, Alex Scott, IHP Group Chief Executive Officer said:

"I am pleased with the Group's strong performance over the past financial year. We have delivered growth in our key performance metrics, including reaching record highs in average daily FUD, adviser numbers and client numbers. Growth in average daily FUD delivered a 7% uplift to revenue in FY24, helping increase underlying profit before tax to £70.6m.

These results would not have been possible without the hard work of our employees across the Group. Their diligent focus on customer service and enhancing platform functionality is essential to maintaining our leading market position. We continue to prioritise good customer outcomes across the business.

The macroeconomic picture has improved throughout the year. Growth opportunities within the UK adviser market remain promising, although we remain cognisant of the ongoing geopolitical risks. The announcements in the Autumn Budget reaffirmed the importance of the UK pension market as the Government continues to prioritise retirement security.

The flexibility and ongoing enhancements enabled by our proprietary technology, coupled with our customer-first principles and personal, high-touch client service ensure that the Group is well positioned to seize opportunities and navigate emerging threats.

The Group remains focussed on delivering leading financial adviser technology, service, and client value for money, which will in turn deliver organic growth. Above all, we are dedicated to our goal of being the number one provider of software and services for clients and UK financial advisers."

Outlook and guidance

- Positive fundamentals continue to support the ongoing growth of the adviser platform market

- The macroeconomic backdrop is improving due to greater clarity following the outcomes of the October UK budget, and US election
- Consistent with the Group's strategy to share the benefits of scale with our clients, the Transact platform will make the following targeted price changes:
    - charging one pension wrapper fee per pension type in family linked portfolios, effective from 01 April 2025 (annualised cost of c.£2m)
    - reducing non-advised client charges, effective from 01 January 2025, a cost of £0.6m in FY25 (annualised cost of c.£1m)
- For FY25, the Group expects total administrative costs to rise by c.9%, exclusive of a one-off c.£2m cost associated with the relocation to a new London office in FY25
- From FY26, we expect total administrative costs to moderate, rising by low to mid-single digit percentages

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2024 Full year results presentation

IHP will be hosting a virtual analyst audio presentation at 09:30am on 18 December 2024. This will be available at: https://brrmedia.news/IHP_FY_24

A recording of the presentation will be available for playback after the event at https://www.integrafin.co.uk/. Slides accompanying the analyst presentation will also be available this morning at https://www.integrafin.co.uk/annual-reports/.

CEO Statement

Overview

I am pleased to report another year of strong financial and operational performance by the Group. We have achieved robust growth in our key metrics: client and adviser numbers, revenue and underlying profit before tax (PBT). Progress in these measures was supported by an increase in average daily FUD, driven by our net inflows and rising markets. The Group's value proposition continues to deliver positive outcomes for our clients, their financial advisers and our shareholders.

In the first half of our financial year, equity markets performed well with a beneficial impact on our FUD levels. However, across the industry, investment funds and adviser platforms alike experienced heightened outflows, continuing the trend seen towards the end of FY23. Nevertheless, Transact attracted among the highest net flows in the industry.

The second half of the year saw more moderate market movements and the first Bank of England interest rate cut since 2020. Net inflows also showed signs of growth compared to H1, with higher inflows and an improving macroeconomic picture as the financial year progressed, boosting flows.

T4A has also delivered over the year, increasing the number of CURO licence users and making substantial progress on the development and rollout of CURO on Power Platform (CURO PP). However, anticipated financial performance has been behind the original expectation, due to complexities in the development and finalisation of CURO PP.

The combination of our key differentiators – proprietary technology and industry-leading, personal customer service – has again proven effective in allowing us to capitalise on the opportunities within the adviser platform market. Our focus remains, as always, on our purpose: to make financial planning easier for clients and their UK financial advisers.

Transact platform performance

Over the financial year, we have continued to grow the number of advisers and clients on the Transact platform, with steady increases throughout the period. Adviser numbers passed a significant milestone, now standing at 8,048, and client numbers are at 234,998. Our quality service remains the cornerstone of our platform and advisers continue to recognise this, with Transact winning multiple industry awards. This is emphasised further by achieving durable client retention of 94% for the year.

Gross inflows were strong during the year, and in Q2 we achieved our highest ever gross inflows figure for a single quarter at £2.3 billion. This is a testament to the ongoing capability of our platform technology and our industry-leading customer service which continues to win market share.

Partially offsetting this, gross outflows were elevated caused by an increase in the value of one-off withdrawals from the platform. This was driven by several factors, including the enduring impact of recent high inflation driving up nominal living costs and the higher interest rate environment increasing payments required on debts such as mortgages. As the year progressed, we started to see signs of outflows moderating, with H2 outflows slightly lower than in H1 FY24. With inflation now close to the Bank of England's target, we anticipate that some of the factors previously driving higher outflows will start to abate gradually in FY25.

This led to a robust performance in net flows which were the third highest in the market over the financial year, representing 25% of market net flows. Market movements also provided significant uplift to our FUD, especially in the first half of the year, helping us reach closing FUD of £64.1 billion.

This is a new record for closing FUD, 17% ahead of FY23.

Financial performance

As a result of the increase in average daily FUD throughout the year, revenue has increased to £144.9 million, 7% ahead of FY23. At T4A, revenue was stable, with an improvement in the revenue mix. We are now generating a greater proportion of income earned from CURO licence fees (c.88% compared to c.83% in FY23), a more sustainable source of recurring revenue.

Underlying PBT, £70.6 million, and reported PBT, £68.9 million, have both increased in the past year, by 12% and 10% respectively. This has been driven by a combination of higher revenue and an increase in net interest income on corporate cash, largely due to higher interest earned on corporate cash balances. We also maintained our strong, debt-free balance sheet.

We remain committed to ensuring value for our clients and their financial advisers. We are thus proud that we were able to deliver record revenue and PBT, while also delivering value to our clients by removing the buy commission and wrapper fees for Junior ISAs within linked family groups.

Transact platform digitalisation

This year, we have continued our digitalisation programme, implementing digital enhancements to online wrapper application and bulk administration processes resulting in significant uplift in online adoption and a reduction in manual and paper processes. Key pension and ISA portfolio processes can now be completed online, with real time data validation. We have also expanded the implementation of straight-through processing. This continues to drive efficiencies for advisers and their back-office staff, as well as starting to deliver efficiencies for Transact platform operations.

A benefit of our proprietary platform technology is that we can maintain a regular cycle of monthly updates to our functionality. Every month, we deliver new functionality and improved efficiency in each update to the Transact platform. The streamlining of processes, enabled by these releases, helps deliver operational efficiency for both staff and the clients and advisers using the platform.

People

I was delighted to welcome Euan Marshall to the board in January 2024. Euan brings a breadth of experience that will be invaluable in driving and delivering our strategy over the coming years.

Average headcount was 6% higher during the year, including further additions to our IT and software functions. Existing and new employees have helped to enhance our service, as well as enabling our program of platform improvements and digitalisation. Our high-quality service and platform enhancements drive our robust net inflows, delivering organic growth.

The wellbeing of our people remains of the utmost importance to our business. We completed our third annual group engagement survey which indicated that our employees feel supported and aligned with our business' core values.

Regulatory and sustainability matters

We operate in a changing regulatory environment and FY24 bore witness to several evolving developments. This was the first full year in which the Financial Conduct Authority (FCA)'s Consumer Duty regulation was in force. Consumer Duty is not a one-off event but rather an ongoing commitment; as such, we continuously review our operations to ensure we are maximising positive consumer outcomes. We have always prioritised our clients' needs, and this value is at the heart of our culture.

In December 2023, the FCA issued its "Dear CEO" letter outlining its stance on taking a margin on client cash and calling on firms to cease the practice of double-dipping. Our approach to client cash has always been, and continues to be, to pass on the full value to our clients, in accordance with our customer-first principles.

Outlook

Many of the headwinds that were present over the past year are showing signs of abating. Yet uncertainty remains, especially regarding the new government's policy agenda coupled with the impact of potential US policy changes on geopolitics and the global markets. The outlook on interest rates is also ambiguous, with inflation levels in the UK closer to the Bank of England's target, but cautious rhetoric on any further reductions. As such, we expect to see both the UK and US central banks slowly reduce interest rates during the coming year, helping to improve investor confidence and appetite to invest in equity markets.

Despite the level of uncertainty, the opportunities within the UK adviser platform sector remain strong. The long-term structural trends within the market look to provide compelling growth opportunities as customers seek to take greater control over their financial wellbeing and long-term savings and investments. The UK wealth management sector is expected to continue growing, driven by government emphasis on retirement security and an ageing, wealthier UK population. Consequently, over time, more investable assets will flow onto platforms.

Meanwhile, the Group's strength in both people and technological aspects, leave us well placed to capitalise on these trends. The flexibility enabled by our proprietary technology, our customer-first principles and personal, high-touch client service continues to serve the Group well. We continue to target the development of Application Programming Interface (API) integrations that will bring the most benefit to our advisers.

Next year, we will move to a new London office. We will seek to use this move to bring further efficiencies to our ways of working and to advance our sustainability goals, while also focusing on how changes to the working environment can benefit our staff.

As always, I would like to thank all my colleagues across the Group for their dedication. Their commitment to quality is essential to our success. I look forward to continuing to deliver on our principal aim: being the number one provider of software and services for clients and UK financial advisers.

Alexander Scott

Chief Executive Officer

17 December 2024

Financial Review

Headlines

The Group's platform business continued to show its strength in attracting and retaining advised business. The primary measure of this success was FUD growth, which was up 17% to £64.1 billion (FY23: £55.0 billion) as a result of the benefit of both positive net inflows and market movements.

Against a backdrop of ongoing high interest rates and higher cost of living impacting client withdrawals, where the wider adviser platform sector has faced headwinds, to have robust, positive net inflows was extremely encouraging.

As a result of the FUD growth, Group revenue also increased strongly, up 7% to £144.9 million (FY23: £134.9 million).

The Group also continued to grow its market penetration with platform clients of 234,998 (FY23: 230,294)* and registered advisers on the platform of 8,048 (FY23: 7,683)*.

Given the Group's strong liquidity profile, the higher UK interest rate environment and ongoing interest income optimisation, net interest income increased by 67% to £10.5 million (FY23: £6.3 million).

The growth in both Group revenue and interest income more than offset the 14% increase in total administrative expenses to £85.0 million (FY23: £74.6 million). This was primarily the result of ongoing investment in staff to reach a level that will support software development and IT infrastructure projects, market-leading client service and operational requirements as the Group continues to grow.

Statutory profit before tax (PBT) rose 10% to £68.9 million (FY23: £62.6 million), a new record for the Group, and underlying profit before tax rose by 12% to £70.6 million (FY23: £63.0 million)*.

The effective tax rate increased to 24% (FY23: 20%) due to the change in corporation tax rate in April 2023. This resulted in profit after tax rising by 4%, a slower rate than PBT growth, to £52.1million (FY23: £49.9 million).

Earnings per share (EPS) was 15.7p (FY23: 15.1p). After removing all non-underlying expenses in FY24, underlying EPS was 16.2p*, compared with 15.2p in FY23.

* Alternative performance measures (APMs) 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.

Operational performance

Platform

	FY24 £bn	FY23 £bn	Change %
Opening FUD	**55.0**	50.1	+10%
Inflows	**8.1**	6.4	+27%
Outflows	**(5.6)**	(3.7)	+51%
Net flows	**2.5**	2.7	-7%
Market movements	**6.6**	2.2	+200%
Closing FUD	**64.1**	55.0	+17%
Average daily FUD for the period	**59.6**	53.6	+11%

	FY24	FY23	Change %
Platform clients	**234,998**	230,294	+2%
Platform registered advisers	**8,048**	7,683	+5%

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

FUD closed the year up 17% on FY23 at £64.1 billion.

During FY24, client pressures caused by macroeconomic factors eased and investment sentiment improved. This, combined with the reliability and quality of our advised investment platform, resulted in gross inflows of £8.1 billion (FY23: £6.4 billion); this was a record for the Group, in what continues to be a competitive marketplace.

Whilst outflows increased to £5.6 billion (FY23: £3.7 billion), the annualised rate was 10% of opening FUD (FY23: 7%) and as a result are still within the range observed historically, as a percentage of FUD. Factors driving outflows included clients withdrawing savings, including increasing pension drawdowns as the cost of living has increased and supporting one-off purchases for themselves and dependents.

Our net flows of £2.5 billion (FY23: £2.7 billion), or 5% of opening FUD, were strong for the sector.

Back-office technology

At the end of FY24 the number of CURO licence users was 3,098 (FY23: 2,752), an increase of 13%.

Group Financial Performance

	FY24 Group £m	FY24 *Platform £m	FY23 Group £m	FY23 *Platform £m	Change % Group	Change % Platform
Revenue	**144.9**	**140.0**	134.9	130.1	+7%	+8%
Cost of sales	**(3.0)**	**(2.1)**	(3.9)	(2.7)	-23%	-22%
Gross profit	**141.9**	**137.9**	131.0	127.4	+8%	+8%
Underlying administrative expenses	**(83.3)**	**(77.4)**	(74.2)	(72.1)	+12%	+7%
Credit loss allowance on financial assets	**0.1**	**0.1**	(0.1)	-	-200%	-
Non-underlying administrative expenses	**(1.7)**	**0.5**	(0.4)	(0.4)	+325%	-225%
Operating profit	**57.0**	**61.1**	56.3	54.9	+1%	+11%
Net interest income	**10.5**	**9.6**	6.3	5.7	+67%	+68%
Net gain attributable to policyholder returns	**1.4**	**1.4**	-	-	-	-
Profit before tax	**68.9**	**72.1**	62.6	60.6	+10%	+19%
Tax on ordinary activities	**(16.8)**	**(15.7)**	(12.7)	(11.6)	+32%	+35%
Profit after tax	**52.1**	**56.4**	49.9	49.0	+4%	+15%
PBT margin	**48%**	**52%**	46%	47%	+2%	+11%
Earnings per share – basic	**15.8p**	**17.1p**	15.1p	14.8p	+5%	+16%
Earnings per share – diluted	**15.7p**	**17.0p**	15.1p	14.8p	+4%	+15%

* The "Platform" columns represent the activities conducted on Transact and excludes the activities of T4A, the Group's adviser back-office technology provider.

The T4A activities are included in the Group column. Platform is equivalent to the investment administration services and insurance and life assurance business segments in note 6.

Revenue

There are two streams of Group revenue: investment platform revenue and back-office technology revenue.

	FY24 £m	FY23 £m	Change %
Platform Revenue			
Recurring annual charges	**126.1**	116.1	+9%
Recurring wrapper charges	**12.8**	12.3	+4%
Other income	**1.1**	1.7	-35%
Total platform revenue	**140.0**	130.1	+8%
Back-office technology revenue	**4.9**	4.8	+2%
Total Revenue	**144.9**	134.9	+7%

Annual commission income and wrapper fee income have been renamed in FY24 to recurring annual charges and recurring wrapper charges respectively.

Platform revenue

FY24 investment platform revenue increased by £9.9 million to £140.0 million (FY23: £130.1 million). Investment platform revenue comprises three elements, 99% (FY23: 99%) of which is from a recurring source.

Annual charge income (an annual, *ad valorem* tiered fee on FUD) and wrapper fee income (quarterly fixed wrapper fees for certain available tax wrapper types) are recurring. Other income is composed of buy commission and dealing charges. Buy commission was phased out during the course of FY24.

Average daily FUD for the year, arising from the performance of the assets in client portfolios, increased by 11% in FY24 to £59.6 billion. Annual charge income increased 9% to £126.1 million (FY23: £116.1 million). The lower increase in annual charge income in comparison to average FUD resulted from a reduction in the blended rate annual charge payable by clients. This naturally occurs as a result of a greater proportion of individual client FUD benefits from progressively lower fees as portfolios increase in value.

Recurring wrapper fee income increased by 4% to £12.8 million (FY23: £12.3 million), reflecting the increase in the number of open tax wrappers for both existing and new clients.

Other income fell by 35% to £1.1 million (FY23: £1.7 million). This was driven by the elimination of buy commission during the financial year, which started during FY23. The elimination of the buy commission is an illustration of our responsible pricing strategy, as we seek to simplify our fee structure.

Back-office technology revenue

FY24 CURO licence revenue was £4.9 million (FY23: £4.8 million), an increase of 2%. This was driven by an increase in recurring revenue from additional CURO user licences.

Administrative expenses

Administrative expenses increased by £10.4 million (14%) to £85.0 million.

	FY24 £m	FY23 £m	Change %
Employee costs	**58.5**	53.9	+9%
Occupancy	**3.1**	2.8	+11%
Regulatory and professional fees	**10.6**	9.8	+8%
Other costs	**8.9**	5.2	+71%
Depreciation and amortisation	**2.2**	2.5	-12%
Underlying administrative expenses	**83.3**	74.2	+12%
Non-underlying expenses	**1.7**	0.4	+325%
Administrative expenses	**85.0**	74.6	+14%

	FY24 No.	FY23 No.	Change %
Average headcount	**666**	631	+6%
Period end headcount	**666**	648	+3%

Employee costs

Employee costs increased by 9% due to a combination of increased headcount, which grew by 6% from an average of 631 in FY23 to an average of 666 in FY24, and providing pay rises in order to offer competitive salaries to our employees.

Occupancy costs/depreciation and amortisation

Occupancy costs increased by £0.3 million, and depreciation and amortisation reduced by £0.3 million. The increase in occupancy costs is due to the head office lease ending in June 2023 and renewing in March 2024. As there was no lease commitment in the intervening period, this meant that, as per IFRS 16, the leases accounting standard, depreciation of the right-of-use asset was replaced by rent expense for the final three months of FY23 and the first six months of FY24. The lease was renewed for a limited period.

Regulatory and professional fees

Regulatory and professional fees increased by £0.8 million in FY24, with professional fees increasing by £1.5 million mainly as result of consultancy work and professional advice relating to discrete projects, and regulatory fees falling by £0.7 million due to a reduction in the FSCS levy.

Other costs

Other costs increased by £3.7 million in FY24 mainly due to an increase in irrecoverable VAT (£0.9 million), caused by higher software expenses and professional fees, and the movement of tax relief due to shareholders (FY23: £1.6 million credit) from administrative expenses to net gain attributable to policyholder returns in FY24, as noted in the net gain attributable to policyholder returns section below.

Non-underlying expenses

Non-underlying expenses relate to the deferred consideration payable as part of the acquisition of T4A, and any other one-off items considered to not be part of the core underlying business performance. The T4A post-combination remuneration costs increased to £2.1 million (FY23: £0.4 million), as FY23 included a £1.7 million release of the additional consideration, after it was confirmed that T4A would not meet the minimum threshold for highly stretching targets to earn this. The cost will reduce to approximately £0.5 million in FY25, with the final deferred consideration payment due in January 2025. FY24 also included £0.4 million received from HMRC for overpaid VAT and interest relating to the FY22 IAD Pty VAT decision, upon receipt of HMRC's final calculation of the amount due.

Interest income

Interest income rose 67% to £10.7 million (FY23: £6.4 million). The increase was predominantly due to a higher average Bank of England base rate during the year, higher average corporate bank balances and ongoing optimisation of corporate cash management.

This resulted in interest income on corporate cash balances and gilt investments rising to £10.1 million (FY23: £5.6 million). The Group also generated another £0.6 million (FY23: £0.8 million), being a combination of interest due from the Vertus loan facility and interest received from HMRC.

Net gain attributable to policyholder returns

Tax relief due to shareholders was £1.4 million in FY24 and 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. Prior to FY24 this was included in administrative expenses (FY23: £1.6 million).

Underlying profit before tax and earnings per share

	FY24 Group £m	FY23 Group £m	Change %
Reported profit before tax	**68.9**	62.6	+10%
Non-underlying expenses	**1.7**	0.4	+325%
Underlying profit before tax	**70.6**	63.0	+12%
Underlying earnings per share - basic	**16.3p**	15.2p	+7%
Underlying earnings per share - diluted	**16.2p**	15.2p	+7%

Tax

The Group has operations in three tax jurisdictions: the 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 £4.1 million, or 32%, to £16.8 million (FY23: £12.7 million) due to the increase in taxable profit and the increase in corporation tax rate to 25%, with effect from 6 April 2023.

Our effective rate of tax over the period was 24% (FY23: 20%).

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

Dividends

During the year to 30 September 2024, IHP paid a second interim dividend of £23.2 million to shareholders in respect of financial year 2023 and a first interim dividend of £10.5 million in respect of financial year 2024.

In respect of the second interim dividend for FY24, the board has declared a dividend of 7.2 pence per Ordinary Share (FY23: 7.0p).

FY24 total dividends paid and declared of £34.5 million compares with full year interim dividends of £33.7 million in respect of FY23.

Consolidated Statement of Financial Position

	September 2024 £m	September 2023 £m	Change %
Non-current assets	**32.6**	30.5	+7%
Current assets	**270.0**	235.4	+15%
Current liabilities	**(47.5)**	(27.5)	+73%
Non-current liabilities	**(46.8)**	(48.5)	-4%
	208.3	189.9	+10%
Policyholder assets and liabilities			
Cash held for the benefit of policyholders	**1,622.8**	1,419.2	+14%
Investments held for the benefit of policyholders	**27,237.8**	23,021.7	+18%
Liabilities for linked investment contracts	**(28,860.6)**	(24,440.9)	+18%
	-	-	-
Net Assets	**208.3**	189.9	+10%
Share capital	**3.3**	3.3	0%
Share based payment reserve	**4.1**	3.4	+21%
Employee Benefit Trust reserve	**(3.3)**	(2.6)	+27%
Other reserves	**5.6**	5.6	0%
Profit or loss account	**198.6**	180.2	+10%
Total equity	**208.3**	189.9	+10%

Net assets increased 10% (FY23: 10%), or £18.4 million, in the year to £208.3 million, and the material movements on the Consolidated Statement of Financial Position were as follows:

Current assets

Current assets increased by 15%, or £34.6 million, during the year to £270.0 million. This was as a result of cash and cash equivalents increasing by £66.2 million during the year to £244.1 million (FY23: £177.9 million). This was due to the strong cash flows generated from operating activities and the maturity of gilts. This was offset by a decrease in gilt investments of £19.8 million from £22.3 million to £2.5 million.

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

Current liabilities

Current liabilities increased by 73%, or £20.0 million, during the year to £47.5 million. This was largely due to an increase in the current provision relating to ILUK policyholder reserves, and the renewal of the London office lease during the year, resulting in a new lease liability.

Policyholder assets and liabilities

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 £28.9 billion (FY23: £24.4 billion). This increase of 18% 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 (IFAL), a UK life insurance company (ILUK) and an Isle of Man life insurance company (ILInt).

Each regulated entity maintains capital 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, which are Solvency II for ILUK and the Isle of Man Risk-Based Capital Regime for ILInt.

IFAL is subject to Investment Firms Prudential Regime (IFPR) regulatory capital and liquidity rules. 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 and client orders handled.

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

Regulatory capital as at 30 September 2024

	Regulatory capital requirements £m	Regulatory capital resources £m	Regulatory cover %
IFAL	**60.4**	**74.8**	**124%**
ILUK	**229.5**	**313.1**	**136%**
ILInt	**26.4**	**49.0**	**186%**

Regulatory capital as at 30 September 2023

	Regulatory capital requirements £m	Regulatory capital resources £m	Regulatory cover %
IFAL	33.3	44.4	133%
ILUK	215.8	269.2	125%
ILInt	27.1	46.6	172%

Liquidity

The Group holds liquid assets in the form of cash and cash equivalents and UK Government securities ('gilts'), the majority of which are available with immediate effect. More information can be found in notes 3, 4, 19 and 21 to the financial statements.

The main uses of liquid assets include:

- holdings for regulatory and operational purposes, including risk appetite; and
- coverage of policyholder returns in the life insurance businesses.

Surplus cash and gilts have decreased by £13.0 million during the financial year.

	FY24 £m	FY23 £m
Total Group consolidated cash and UK gilts	**242.1**	200.3
Less: Group cash and UK gilts held for regulatory and operational purposes	**(118.3)**	(89.6)
Less: foreseeable dividend	**(23.9)**	(23.2)
Less: coverage of policyholder returns in the life insurance companies	**(67.8)**	(42.4)
Surplus cash and UK gilts	**32.1**	45.1

Euan Marshall

Chief Financial Officer

17 December 2024

Principal Risks and Uncertainties

The board has undertaken a review of the potential risks and uncertainties to the Group that could undermine the successful achievement of its strategic objectives and threaten its business model or future performance and considered non-financial risks that could present operational disruption.

The table below presents the Group's principal risks and uncertainties together with the related appetite, potential impacts, mitigations and the risk trend for 2024.

Strategic Pillars

1. Leading functionality
2. Leading service
3. Value for money

Change over the year

↑ - Increasing

↔ - Stable

↓ - Reducing

Risk	Impact	Mitigation	
Competition			
The risk that the Group fails to remain competitive against its current peer group and new market entrants.	Weaker than forecast net inflows, impacting profitability and/or the medium/long-term sustainability of the platform	The Group continues to provide exceptionally high levels of service and can be responsive to client and financial adviser feedback and demands through an efficient operational base. The Group also monitors the landscape of its platform competitors, as well as the trends impacting the financial adviser market. The Group's platform service and developments remain award winning. We make monthly releases to our proprietary platform technology, which incorporate improvements and new functionality. We continue to develop our digital platform 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 the Group 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. The Group also continues to support the diversification of the adviser market through the Vertus scheme which continues to be successful.	**Strategic pillars** 1 2 3 **Change over year** ↑ **Risk appetite** The Group's business model exposes it to competitive markets. This risk is accepted and the Group's risk appetite is aligned with qualitative and quantitative measures
Market			
The risk of adverse changes in bond, equity	Depressed equity and bond values have an impact on the revenue	The risk is mitigated through the platform offering a wide variety of assets which ensures platform revenue is not wholly correlated with one market. This also	**Strategic pillars** 3 **Change over year**

and property market values, currency exchange rates, credit spreads and interest rates	streams of the platform business due to a large proportion of revenue being dependent on FUD	enables clients to switch assets in times of uncertainty. In particular, clients are able to switch into cash assets, which remain on the platform supported by our top quartile interest rates. In addition, wrapper fees are not impacted by market volatility as they are based on a fixed quarterly charge. The Group invests its corporate assets in cash and high-quality, highly-liquid, short-dated investments to mitigate exposure to bond asset value fluctuations.	↔ **Risk appetite** The Group's revenue model exposes it to secondary market risk and this is accepted, with partial mitigation through limited fixed fee revenue. It has limited appetite to market risk relating to market risk exposure through corporate assets
Capital			
The risk that the regulated entities within the Group do not maintain sufficient capital resources to meet their regulatory requirements, including covering unexpected losses.	Inability to cover unexpected losses Increase in regulatory capital requirements by the regulator	The Group's regulated entities are subject to various regulatory regimes including the Investment Firms Prudential Regime (IFPR) and Solvency II. As a result, Internal Capital Adequacy and Risk Assessment (ICARA) and Own Risk and Solvency Assessments (ORSAs) are conducted, which identify potential harms and sufficient resources, and capital is held to cover potential losses (capital requirements). In addition, the risk appetites are set in excess to the assessed capital requirement and monitored against these appetites	**Strategic pillars** 3 **Change over year** ↔ **Risk appetite** The Group aims to maintain capital resources which are sufficient in amount and quality to exceed regulatory requirements across its regulated entities
Liquidity			
The risk that the Group does not have sufficient available liquid financial resources to enable it to meet its obligations as they fall due, or to meet its regulatory requirements, or where the Group can secure such resources only at excessive cost.	Inability to meet obligations as they fall due	The Group has controls in place which monitor and maintain immediately available cash balances across its regulated and unregulated entities within defined appetite parameters. The appetite includes the ability to withstand liquidity stresses and ensure it can meet liabilities as they fall due.	**Strategic pillars** 3 **Change over year** ↓ **Risk appetite** The Group aims to maintain liquid financial resources which are sufficient in amount and quality to exceed regulatory requirements across its regulated entities and to ensure that all payments are met as they fall due
Service standard failure			
The risk that client service levels reduce resulting in reduced ability to attract and retain business.	Deterioration in adviser and client retention rates Weaker than forecast net inflows, impacting profitability and/or the medium/long-term sustainability of the platform	The Group manages the risk by providing its client service teams with extensive initial and ongoing training, supported by experienced subject matter experts and managers. Monitoring service metrics allows the Group to identify areas where there is deviation from expected service levels or where processing backlogs have arisen and deliver targeted remediation plans to ensure client outcomes and service standards are maintained. The Group also conducts satisfaction surveys to ensure service levels are still	**Strategic pillars** 2 **Change over year** ↓ **Risk appetite** The Group has limited appetite to compromise service levels below market-leading standard

	Heightened regulatory scrutiny	perceived as excellent by our clients and their advisers	
People			
The risk that the Group fails to attract, retain, motivate and develop its talent, hindering its ability to meet its strategic goals	Employees leave due to a lack of engagement, motivation or effective management Increased difficulty in recruiting individuals with the required talent into the Group Lack of training and development result in deterioration in client service standards and/or limit career progression opportunities for employees	The Group aims to minimise the level of retention risk through the promotion of a culture of inclusion and empowerment, underpinned by: robust HR policies and procedures, focused on effective people management; annual engagement surveys; performance-based variable remuneration; succession planning; and talent mapping. The Group aims to minimise the level of recruitment risk through having fair and inclusive recruitment practices in place, completing an annual remuneration review to ensure that remuneration is consistent with the market and providing opportunities for career progression. The Group aims to minimise the level of training and development risk through the implementation of ongoing competency-based training programmes, supporting employees in obtaining external qualifications and having a robust regulatory training programme in place.	**Strategic pillars** 1 2 **Change over year** ↔ **Risk appetite** The Group seeks to avoid this risk in order to achieve its strategic objectives
Resilience			
The risk that the Group fails to absorb, anticipate, adapt to or recover from shocks or stresses to its operations and business processes.	Harm to clients, market and the Group if there is an inability to recover from a shock or stress, particularly impacting important business services Financial penalties and/or regulatory censure Reputational damage	Process: A variety of control approaches are in place to mitigate process failure risk including process ownership, proactive continuous risk management to identify and manage critical processes, scenario-based resilience plans and testing. Critical processes are designed to be fault tolerant, allowing elements to be replaced or changed without impacting the overall service. Internal technology: The use of several industry standard approaches to achieve this including resilience by design, proactive monitoring, incident/change/problem management processes, scenario planning and testing and continuous improvement. Supplier/third party: Third party providers are selected through a robust RFP process that carries out diligence checks and establishes reporting/operational practices across all appropriate risk areas. Onboarded third party providers are managed on a continuous basis within a vendor management framework.	**Strategic pillars** 2 **Change over year** ↔ **Risk appetite** The Group aims to maximise resilience with respect to identified critical operational and business services
Information security			
Risk of unauthorised access, use, disclosure, disruption, modification, or destruction of information assets.	Client and/or employee harm leading to regulatory censure and/ or fines including from the Information Commissioner Office (ICO) Harm to clients and the Group if	Information security risk is mitigated using a defence in-depth approach in alignment with industry standards, incorporating technical controls and processes and educating our people, all of which is managed and overseen by dedicated personnel.	**Strategic pillars** 2 **Change over year** ↔ **Risk appetite** The Group accepts exposure to elements of risk as a result of providing access to its platform and

	there is an inability to recover operations Reputational damage		services over a public network
Regulatory			
The risk that the Group fails to comply with regulatory requirements.	Poor client outcomes Regulatory fines and/or censure Reputational damage	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 significant regulatory changes, with Group Internal Audit undertaking reviews during the project phases and/or post-implementation thematic reviews.	**Strategic pillars** 2 3 **Change over year** ↔ **Risk appetite** The Group aims to comply with regulatory requirements across the jurisdictions in which it operates at all times
Financial crime			
The risk of failure to protect the Group and its clients from financial crime, including internal and external fraud, money laundering, terrorist financing, sanctions violations and market abuse.	Loss of client assets resulting in client harm Loss of corporate assets as a result of inadequate financial controls Regulatory censure and/or penalties as a result of facilitating financial crime Reputational damage	The Group has a dedicated Financial Crime Compliance team and a framework of policies, processes and controls in place to reduce the likelihood of the Group being used to further financial crime. Key controls include client and supplier due diligence, bank account verification, segregation of duties, mandatory staff training and monitoring of activity on the platform.	**Strategic pillars** 1 2 3 **Change over year** ↑ **Risk appetite** The Group aims to minimise its exposure through continuous improvement to control and monitoring processes

Statement of Director's Responsibilities

The directors are responsible for preparing the Annual Report and the 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 UK-adopted international accounting standards 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 UK-adopted international accounting standards, 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 Company is 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 the directors 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 UK-adopted international accounting standards 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

17 December 2024

Consolidated statement of comprehensive income
For the year ended 30 September 2024

	Note	2024 £m	2023 £m
Revenue	**5**	144.9	134.9
Cost of sales		(3.0)	(3.9)
Gross profit		**141.9**	**131.0**
Expenses			
Administrative expenses	**8**	(85.0)	(74.6)
Expected credit losses on financial assets	**22**	0.1	(0.1)
Operating profit		**57.0**	**56.3**
Interest income	**9**	10.7	6.4
Interest expense	**25**	(0.2)	(0.1)
Net policyholder returns			
Net gain attributable to policyholder returns		40.2	12.1
Change in investment contract liabilities		(3,051.7)	(1,056.0)
Fee and commission expenses		(232.7)	(193.3)
Policyholder investment returns	**10**	3,284.4	1,249.3
Net policyholder returns		**40.2**	**12.1**
Profit on ordinary activities before taxation attributable to policyholders and shareholders		**107.7**	**74.7**
Policyholder tax charge		(38.8)	(12.1)
Profit on ordinary activities before taxation attributable to shareholders		**68.9**	**62.6**
Total tax attributable to shareholder and policyholder return	**11**	(55.6)	(24.8)
Less: tax attributable to policyholder returns	**11**	38.8	12.1
Shareholder tax on profit on ordinary activities		**(16.8)**	**(12.7)**
Profit for the financial year		**52.1**	**49.9**
Other comprehensive loss			
Exchange losses arising on translation of foreign operations		-	(0.1)
Total other comprehensive losses for the financial year		**-**	**(0.1)**
Total comprehensive income for the financial year		**52.1**	**49.8**
EPS			
Ordinary shares – basic	**7**	15.8p	15.1p
Ordinary shares – diluted	**7**	15.7p	15.1p

All activities of the Group are classed as continuing.

Notes 1 to 34 form part of these financial statements.

Consolidated statement of financial position

As at 30 September 2024

	Note	2024 £m	2023 £m
Non-current assets			
Loans receivable	**16**	6.5	6.3
Intangible assets	**12**	20.9	21.4
Property, plant and equipment	**13**	1.5	1.1
Right-of-use assets	**14**	2.6	1.0
Deferred tax asset	**26**	1.1	0.7
		32.6	**30.5**
Current assets			
Investments	**21**	2.6	22.4
Prepayments and accrued income	**22**	18.8	17.2
Trade and other receivables	**23**	2.9	3.6
Current tax asset		1.6	14.3
Cash and cash equivalents	**19**	244.1	177.9
		270.0	**235.4**
Current liabilities			
Trade and other payables	**24**	21.7	19.5
Provisions	**27**	23.3	7.7
Lease liabilities	**25**	2.5	0.3
		47.5	**27.5**
Non-current liabilities			
Provisions	**27**	16.4	40.5
Lease liabilities	**25**	0.4	0.8
Deferred tax liabilities	**26**	30.0	7.2
		46.8	**48.5**
Policyholder assets and liabilities			
Cash held for the benefit of policyholders	**20**	1,622.8	1,419.2
Investments held for the benefit of policyholders	**17**	27,237.8	23,021.7
Liabilities for linked investment contracts	**18**	(28,860.6)	(24,440.9)
		-	**-**
Net assets		**208.3**	**189.9**
Equity			
Called up equity share capital		3.3	3.3
Share-based payment reserve	**28**	4.1	3.4
EBT reserve	**29**	(3.3)	(2.6)
Foreign exchange reserve	**30**	(0.1)	(0.1)
Non-distributable reserves	**30**	5.7	5.7
Retained earnings		198.6	180.2
Total equity		**208.3**	**189.9**

These financial statements were approved by the Board of Directors on 17 December 2024 and are signed on their behalf by:

Euan Marshall, Director
Company Registration Number: 08860879

Notes 1 to 34 form part of these financial statements.

Company statement of financial position
As at 30 September 2024

	Note	2024 £m	2023 £m
Non-current assets			
Investment in subsidiaries	**15**	46.2	35.3
Loans receivable	**16**	6.5	6.3
		52.7	**41.6**
Current assets			
Trade and other receivables	**23**	0.1	0.1
Cash and cash equivalents		27.8	26.0
		27.9	**26.1**
Current liabilities			
Trade and other payables	**24**	3.0	2.5
Loans payable	**16**	1.0	1.0
		4.0	**3.5**
Non-current liabilities			
Loans payable	**16**	5.0	6.0
		5.0	**6.0**
Net assets		**71.6**	**58.2**
Equity			
Called up equity share capital		3.3	3.3
Share-based payment reserve	**28**	3.4	2.7
EBT reserve	**29**	(3.0)	(2.4)
Profit or loss account			
Brought forward retained earnings		54.6	56.7
Profit for the year		47.0	31.6
Dividends paid in the year		(33.7)	(33.7)
Profit or loss account		67.9	54.6
Total equity		**71.6**	**58.2**

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 17 December 2024 and are signed on their behalf by:

Euan Marshall, Director
Company Registration Number: 08860879

Notes 1 to 34 form part of these financial statements.

Consolidated statement of cash flows
For the year ended 30 September 2024

	2024 £m	2023 £m
Cash flows from operating activities		
Profit on ordinary activities before taxation attributable to policyholders and shareholders	107.7	74.7
Adjustments for non-cash movements:		
Amortisation and depreciation	2.2	2.5
Share-based payment charge	2.3	2.1
Decrease in contingent consideration	-	(1.7)
Interest charged on lease	0.2	0.1
Decrease in provisions	(8.5)	(8.6)
Adjustments for cash effecting investing and financing activities:		
Interest on cash and loans	(10.7)	(6.4)
Adjustments for statement of financial position movements:		
Increase in trade and other receivables, and prepayments and accrued income	(0.9)	(1.6)
Increase/(decrease) in trade and other payables	2.2	(2.0)
Adjustments for policyholder balances:		
Increase in investments held for the benefit of policyholders	(4,216.1)	(2,305.9)
Increase in liabilities for linked investment contracts	4,419.7	2,266.5
(Decrease)/increase in policyholder tax recoverable	(11.0)	10.0
Cash generated from operations	**287.1**	**29.7**
Income tax paid	(9.7)	(22.4)
Interest paid on lease liabilities	(0.2)	(0.1)
Net cash flows generated from operating activities	**277.2**	**7.2**
Investing activities		
Acquisition and disposal of property, plant and equipment	(0.9)	(0.7)
Purchase of investments	(2.5)	(22.3)
Redemption of investments	22.8	3.0
Increase in loans	(0.2)	(0.8)
Interest on cash and loans held	10.2	6.4
Net cash generated from/(used in)investing activities	**29.4**	**(14.4)**

Consolidated statement of cash flows (continued)
For the year ended 30 September 2024

	2024 £m	2023 £m
Financing activities		
Purchase of own shares in EBT	(0.8)	(0.4)
Purchase of shares for share scheme awards	(1.5)	(1.1)
Equity dividends paid	(33.7)	(33.7)
Payment of principal portion of lease liabilities	(0.8)	(1.9)
Net cash used in financing activities	**(36.8)**	**(37.1)**
Net increase/(decrease) in cash and cash equivalents	**269.8**	**(44.3)**
Cash and cash equivalents at beginning of year	1,597.1	1,641.6
Exchange losses on cash and cash equivalents	-	(0.1)
Cash and cash equivalents at end of year	**1,866.9**	**1,597.1**
Cash and cash equivalents consist of:		
Cash and cash equivalents	244.1	177.9
Cash held for the benefit of policyholders	1,622.8	1,419.2
Cash and cash equivalents	**1,866.9**	**1,597.1**

Notes 1 to 34 form part of these financial statements.

Company statement of cash flows
For the year ended 30 September 2024

	2024 £m	2023 £m
Cash flows from operating activities		
Loss before interest and dividends attributable to shareholders	(14.1)	(2.0)
Adjustments for non-cash movements:		
Decrease in contingent consideration	-	(1.7)
Adjustment for statement of financial position movements:		
Decrease in trade and other receivables, and prepayments and accrued income	-	0.2
Increase in trade and other payables	0.5	0.1
Impairment of subsidiary	6.3	-
Net cash flows used in operating activities	**(7.3)**	**(3.4)**
Investing activities		
Dividends received	60.5	33.3
Acquisition of subsidiary shares	(15.0)	-
Interest on cash and loans	1.2	0.9
Increase in loans	(0.2)	(0.8)
Net cash generated from investing activities	**46.5**	**33.4**
Financing activities		
Purchase of own shares in EBT	(0.6)	(0.3)
Purchase of shares for share scheme awards	(1.4)	(1.3)
Repayment of loans	(1.0)	(1.0)
Interest expense on loans	(0.7)	(0.6)
Equity dividends paid	(33.7)	(33.7)
Net cash used in financing activities	**(37.4)**	**(37.1)**
Net increase/(decrease) in cash and cash equivalents	**1.8**	**(7.1)**
Cash and cash equivalents at beginning of year	26.0	33.1
Cash and cash equivalents at end of year	**27.8**	**26.0**

Notes 1 to 34 form part of these financial statements.

Consolidated statement of changes in equity
For the year ended 30 September 2024

	Called up equity share capital £m	Non-distributable insurance and foreign exchange reserves £m	Share-based payment reserve £m	EBT reserve £m	Retained earnings £m	Total equity £m
Balance at 1 October 2022	**3.3**	**5.7**	**2.6**	**(2.4)**	**164.0**	**173.2**
Comprehensive income for the year:						
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**
Balance at 1 October 2023	**3.3**	**5.6**	**3.4**	**(2.6)**	**180.2**	**189.9**
Comprehensive income for the year:						
Profit for the year	-	-	-	-	**52.1**	**52.1**
Total comprehensive income for the year	-	-	-	-	**52.1**	**52.1**
Share-based payment expense	-	-	2.3	-	-	2.3
Settlement of share based payment	-	-	(1.6)	-	-	(1.6)
Purchase of own shares in EBT	-	-	-	(0.8)	-	(0.8)
Exercised share options	-	-	-	0.1	-	0.1
Distributions to owners - dividends paid	-	-	-	-	(33.7)	(33.7)
Balance at 30 September 2024	**3.3**	**5.6**	**4.1**	**(3.3)**	**198.6**	**208.3**

Notes 1 to 34 form part of these Financial Statements.

Company statement of changes in equity
For the year ended 30 September 2024

	Called up equity share capital £m	Share-based payment reserve £m	EBT reserve £m	Retained earnings £m	Total equity £m
Balance at 1 October 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 paid	-	-	-	(33.7)	(33.7)
Balance at 30 September 2023	**3.3**	**2.7**	**(2.4)**	**54.6**	**58.2**
Balance at 1 October 2023	**3.3**	**2.7**	**(2.4)**	**54.6**	**58.2**
Comprehensive income for the year:					
Profit for the year	-	-	-	47.0	47.0
Total comprehensive income for the year	-	-	-	**47.0**	**47.0**
Share-based payment expense	-	2.1	-	-	2.1
Settlement of share-based payments	-	(1.4)	-	-	(1.4)
Purchase of own shares in EBT	-	-	(0.6)	-	(0.6)
Distributions to owners – dividends paid	-	-	-	(33.7)	(33.7)
Balance at 30 September 2024	**3.3**	**3.4**	**(3.0)**	**67.9**	**71.6**

Notes 1 to 34 form part of these financial statements.

Notes to the financial statements
For the year ended 30 September 2024

1. Basis of preparation and material 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 (financial statements) have been prepared and approved by the directors in accordance with UK-adopted international accounting standards (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 presentational and functional currency of the Group and Company and are rounded to the nearest hundred 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 at least this period. 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 2024, the Group had £244.1 million of shareholder cash on the Consolidated Statement of Financial Position, demonstrating that liquidity remains strong.
- Detailed cash flow and working capital projections.
- Stress-testing of liquidity, profitability and regulatory capital, taking account of principal risks and possible adverse changes in both the economic and geopolitical climate. These scenarios provide assurance that the Group has sufficient capital and liquidity to operate under stressed conditions.

1. Basis of preparation and material accounting policies (continued)

When making this assessment, the board has taken into consideration both the Group's current performance and the future outlook, including the political and geopolitical instability, and a tough macro-environment with ongoing higher interest rates and cost of living pressures. The environment has been challenging during the year, but our financial and operational performance has been robust, and the Group's fundamentals remain strong.

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, persistent high inflation with depressed markets, and climate related impacts.

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 Group has adequate resources to continue its operations, including operating in surplus of the regulatory capital and liquidity requirements imposed by regulators, for 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.

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 material accounting policies (continued)

Changes to International Reporting Standards

Interpretations and standards which became effective during the year

The following amendments and interpretations became effective during the year. Their adoption has not had any significant impact on the Group.

IFRS 17	Insurance Contracts	1 January 2023
IAS 8	Definition of accounting estimates (Amendments)	1 January 2023
IAS 1	Disclosure of accounting policies (Amendments)	1 January 2023
IAS 12	Deferred tax related to assets and liabilities arising from a single transaction (Amendments)	1 January 2023
IAS 12	International tax reform — Pillar two model rules (Amendments)	1 January 2023

Interpretations and standards in issue but not yet effective

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

b) Material accounting policies

Revenue from contracts with customers

Revenue represents the fair value of services supplied by the Group. All fee income is recognised as revenue on an accrual 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.

1. Basis of preparation and material accounting policies (continued)

Fee income comprises:

Annual charge
The annual charge is 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 charge
Wrapper charges are applied on the tax wrappers held by clients and are levied quarterly in arrears based on fixed fees for each wrapper type.

The annual charge and wrapper charges 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 the annual charge and wrapper charges is recognised as prepayments and accrued income on the Consolidated 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 performance obligations are met (in line with IFRS 15). Accrued consultancy income is recognised as a financial asset on the statement of financial position. The Group's right to consideration is conditional on provision of the consultancy service.

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, with interest on shareholder assets recognised within interest income, and interest on policyholder assets recognised 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.

1. Basis of preparation and material accounting policies (continued)

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 the annual charge 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
Investments in subsidiaries are stated at cost less any provision for impairment.

Other investments comprise UK Government gilts held as shareholder investments. Gilts were acquired in both the current and previous financial years, 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 Consolidated 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".

The net gains attributable to policyholder returns arise due to releases of tax charges reserved for policyholders to shareholder profit. These are made throughout the year to recognise any corporate benefit on policyholder charges, and include two elements:

1. **Basis of preparation and material accounting policies (continued)**

1. The Annual Management Charges (AMCs) - under HMRC rules, ILUK's corporate I-E tax is calculated net of management expenses relating to insurance products. Policyholders, on the other hand, are charged tax on their income and gains before expenses are deducted. This gives rise to a difference between the amount recorded as policyholder tax and the amount paid to HMRC as the tax payable is based on the I-E calculation. This is a permanent difference arising as a result of the different methodologies and it is industry practice to recognise this as shareholder profit. ILUK uses the AMC method of calculating tax relief on policyholder expenses to determine the release to profit. This release to profit is taxed as corporate income at the corporate tax rate.

2. Surplus reserves - there is also an annual release of any cash held in reserves which cannot be refunded back to policyholders, due to the policyholder moving provider or surrendering their policy. The surplus released to profit is taxed as corporate income at the corporate tax rate.

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 of "change in investment contract liabilities", "fee and commission expenses" and "policyholder investment returns" on profit is therefore £nil.

Policyholder provisions released to shareholder profit are recognised in the Consolidated Statement of Comprehensive Income within net gain attributable to policyholders.

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.

1. Basis of preparation and material accounting policies (continued)

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.

1. Basis of preparation and material accounting policies (continued)

Impairment of investments in subsidiaries

Investments in subsidiaries are recognised by the Company at cost. The Company assesses at each reporting date, whether there is an indication that an investment in subsidiaries may be impaired. The impairment assessment compares the carrying value of the investment 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. When the circumstances that caused the impairment loss are favourably resolved, the impairment loss is reversed immediately.

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 period in which they become payable.

1. Basis of preparation and material accounting policies (continued)

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.

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 Consolidated 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.

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.

1. Basis of preparation and material accounting policies (continued)

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 (2023: 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 consolidated statement of comprehensive income, with a corresponding asset/(liability) recognised on the Consolidated Statement of Financial Position (under IAS 12).

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 notes 13 and 14.

1. Basis of preparation and material accounting policies (continued)

Lease liabilities
The Group measures lease liabilities in line with IFRS 16 on the Consolidated Statement of Financial Position 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.

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 "cost of sales" for corporate assets and "policyholder investment 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 Consolidated Statement of Financial Position date, which are classified as long-term.

1. Basis of preparation and material accounting policies (continued)

(ii) *Financial assets at amortised cost*
These assets comprised of accrued fees, trade and other receivables, investments in gilts and cash and cash equivalents. These are included in current assets due to their short-term nature, except for the loan 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 (ECLs).

(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
ECLS are required to be measured through a loss allowance at an amount equal to:

- the 12-month ECLs (ECLs from possible default events within 12 months after the reporting date); or
- full lifetime ECLs (ECLs from all possible default events over the life of the financial instrument).

A loss allowance for full lifetime ECLs 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, ECLs are measured at an amount equal to the 12-month ECLs.

Impairment losses on financial assets carried at amortised cost are reversed in subsequent periods if the ECLs decrease.

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.

1. Basis of preparation and material accounting policies (continued)

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 Consolidated 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) Deferred bonus Share Option Plan
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 Consolidated Statement of Comprehensive Income, with a corresponding adjustment to the Share-based payment reserve in the Consolidated Statement of Financial Position.

2. Significant accounting estimates and judgements

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements
In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

2. Significant accounting estimates and judgements (continued)

ILUK tax provision (Group)
The assessment to recognise the tax 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 estimation of tax payable to HM Revenue & Customs (HMRC) and refunds payable back to policyholders. While the estimates are not considered to be significant, as they are based on reliable data, the decision to treat the full balance of the reserves as a provision on the statement of financial position is considered a significant judgement.

Estimates
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Goodwill (Group) and investments in subsidiaries (IHP company)

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The value in use calculation is based on a discounted cash flow (DCF) model. The cash flows are derived from the budget for the next five years, and extrapolated beyond that based on the long-term growth rate. The recoverable amount is sensitive to the discount rate and long term growth rate used in the DCF model as well as the expected future cash inflows and outflows. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in notes 12 and 15.

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
- Policyholder balances of investments and cash
- Liabilities for linked investments contracts
- Cash and cash equivalents

(ii) Financial instruments measured at fair value and amortised cost

Financial assets and liabilities have been classified into categories that determine their basis of measurement. For items measured at fair value, their changes in fair value are recognised in the consolidated statement of comprehensive income.

3. Financial instruments (continued)

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	
	2024	**2023**	**2024**	**2023**
	£m	**£m**	**£m**	**£m**
Cash and cash equivalents	-	-	244.1	177.9
Cash held for the benefit of policyholders	-	-	1,622.8	1,419.2
Investments - Listed shares and securities	0.1	0.1	-	-
Investments - Gilts	-	-	2.5	22.3
Loans receivable	-	-	6.5	6.3
Accrued income	-	-	14.2	12.5
Trade and other receivables	-	-	2.9	3.2
Investments held for the policyholders	27,237.8	23,021.7	-	-
Total financial assets	**27,237.9**	**23,021.8**	**1,893.0**	**1,641.4**

	2024	2023
Assets which are not financial instruments	**£m**	**£m**
Prepayments	4.7	4.7
Current tax asset	1.4	14.3
Trade and other receivables – repayment interest due from HMRC	-	0.4
	6.1	**19.4**

Financial liabilities:

	Fair value through profit or loss		Amortised cost	
	2024	**2023**	**2024**	**2023**
	£m	**£m**	**£m**	**£m**
Trade payables	-	-	1.1	0.7
Lease liabilities	-	-	2.9	1.1
Other payables	-		7.3	5.9
Liabilities for linked investments contracts	27,237.8	23,021.7	1,622.8	1,419.2
Total financial liabilities	**27,237.8**	**23,021.7**	**1,634.1**	**1,426.9**

	2024	2023
Liabilities which are not financial instruments	**£m**	**£m**
Accruals and deferred income	8.8	7.8
PAYE and other taxation	2.1	2.6
Other payables – due to HMRC	0.9	0.9
Deferred consideration	1.5	1.6
	13.3	**12.9**

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	
	2024	**2023**	**2024**	**2023**
	£m	**£m**	**£m**	**£m**
Cash and cash equivalents	-	-	27.8	26.0
Trade and other receivables	-	-	0.1	0.1
Loans receivable	-	-	6.5	6.3
Total financial assets	**-**	**-**	**34.4**	**32.4**

3. Financial instruments (continued)

Financial liabilities:

	Fair value through profit or loss		Amortised cost	
	2024	**2023**	**2024**	**2023**
	£m	**£m**	**£m**	**£m**
Other payables	-	-	0.6	0.4
Loans payable	-	-	6.0	7.0
Due to Group undertakings	-	-	0.2	-
Total financial liabilities	**-**	**-**	**6.8**	**7.4**

	2024	**2023**
Liabilities which are not financial instruments	**£m**	**£m**
Accruals and deferred income	0.7	0.4
PAYE and other taxation	-	0.1
Deferred consideration	1.5	1.6
	2.2	**2.1**

(iii) Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalents, cash held for policyholders, accrued fees, investments held in gilts, loans, trade and other receivables, trade and other payables, and liabilities for linked investments contracts. Due to their short-term nature and/or ECLs 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 Consolidated 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 below:

- 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:

3. Financial instruments (continued)

2024	Level 1	Level 2	Level 3	Total
	£m	£m	£m	£m
Assets				
Term deposits	221.3	-	-	221.3
Investments and securities	944.3	137.5	0.4	1,082.2
Bonds and other fixed-income securities	26.1	0.3	-	26.4
Holdings in collective investment schemes	25,802.0	104.6	1.3	25,907.9
Investments held for the benefit of policyholders	**26,993.7**	**242.4**	**1.7**	**27,237.8**
Investments – listed shares and securities	0.1	-	-	0.1
Total	**26,993.8**	**242.4**	**1.7**	**27,237.9**
Liabilities				
Liabilities for linked investments contracts	26,993.7	242.4	1.7	27,237.8
Total	**26,993.7**	**242.4**	**1.7**	**27,237.8**

2023	Level 1	Level 2	Level 3	Total
	£m	£m	£m	£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	-	-	-
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**

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.

3. Financial instruments (continued)

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 or other relevant information.

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 or other relevant information. No other valuation techniques are applied.

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.

3. Financial instruments (continued)

Transfers between Levels between 1 October 2023 and 30 September 2024 are presented in the table below at their valuation at 30 September 2024:

Transfers from	Transfers to	2024 £m	2023 £m
Level 1	Level 2	2.8	33.2
Level 2	Level 1	58.3	20.9

The reconciliation between opening and closing balances of Level 3 assets are presented in the table below:

	2024 £m	2023 £m
Opening balance	2.2	1.9
Unrealised gains or losses in the year ended 30 September 2024	0.1	(0.1)
Transfers in to Level 3 at 30 September 2024 valuation	0.3	0.4
Transfers out of Level 3 at 30 September 2024 valuation	(0.9)	-
Closing balance	**1.7**	**2.2**

Any resultant gains or losses on financial assets held for the benefit of policyholders are offset by a reciprocal movement in the linked liability.

(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 2024 are driven by the regulated entities, whose capital resources and requirements as detailed below:

	IFAL 30 September		ILUK 30 September		ILInt 30 September	
	2024 £m	2023 £m	2024 £m	2023 £m	2024 £m	2023 £m
Capital resource	74.8	44.4	313.1	269.2	49.0	46.6
Capital requirement	60.4	33.3	229.5	215.8	26.4	27.1
Coverage ratio	124%	133%	136%	125%	186%	172%

Following the FCA's periodic ICARA review process, the regulator imposed additional capital requirements on IFAL on 27 March 2024 which resulted in a capital deficit until it was remediated in April 2024, within the timeframes required by the FCA. The Group has otherwise 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.

4. Risk and risk management

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 management 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 charges, which are linked to the value of the clients' portfolios, which are in turn 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 charges and annual charges 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 after tax and equity 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	
	2024	**2023**
	£m	**£m**
10% increase in asset values	8.7	8.7
10% decrease in asset values	(8.7)	(8.7)

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.

4. Risk and risk management (continued)

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 £244.1 million (2023: 177.9 million), on its loans £6.5 million (2023: £6.3 million) and on financial investments of £2.6 million (2023: £22.4 million). The Group mitigates interest rate risk by diversifying its investments into 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 (2023: £1.7 million) and on loans by £0.1 million (2023: £0.1 million), which would increase/decrease profit after tax and equity by £1.4 million (2023: £1.4 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 FY24 amounted to £8.3 million (FY23: £7.2 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 £0.8 million (2023: £0.7 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:

	2024	2024	2023	2023
Currency	**£m**	**%**	**£m**	**%**
GBP	28,678.4	99.4	24,279.2	99.3
USD	147.0	0.5	133.4	0.5
EUR	21.9	0.1	15.9	0.1
Others	13.3	-	12.4	0.1
Total	**28,860.6**	**100.0**	**24,440.9**	**100.0**

99.4% 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 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. In FY24 the ECLs in relation to this were immaterial.

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 £6.5m (2023: £6.3m). 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 (2023: £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 quality step of 3, which is a minimum Fitch rating of BBB-.

4. Risk and risk management (continued)

In order to actively manage the credit and concentration risks, the board approved risk appetite limits for the regulated entities of the amount of corporate and client cash that can 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 £6.5m (2023: £6.3m). 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 £k (2023: £81k) from other Group companies.

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:
- investments held directly 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 assets 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 a Group entity and 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 whereby future revenues for the Group are reduced in the event of a credit default which affects the value of FUD.

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 ECL 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 ECL provision held.

4. Risk and risk management (continued)

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 £14.2m (2023: £12.5m) 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.

(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 payment of shareholder dividends and operating expenses it may incur. Additionally, as noted in the loans section above, 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 as:
- failure of one or more of the banks that holds funds for the Group;
- bank system failure which prevents access to Group funds; and
- clients holding insufficient cash to settle fees when they become due; and
- expenses rise faster than anticipated or from one-off "shocks" such as fines or client compensation.

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.

The first of these, clients' liabilities is primarily covered through the terms and conditions with clients' taking their own liquidity risk, if their assets 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.

4. Risk and risk management (continued)

The Group has set out two key liquidity requirements: first, to ensure that clients maintain a percentage of liquidity in their portfolios at all times in order to have sufficient funds to pay charges relating to their wrappers, and second, to maintain access to corporate cash through a spread of cash holdings in bank accounts to reduce the exposure to any one bank.

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 liquidity impact of a 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 2024 and 30 September 2023. All financial liabilities are undiscounted.

In addition to the financial assets and financial liabilities shown in the tables below, the Company committed a further £5.0 million (2023: £5.0 million) in undrawn loans. These are available to be drawn down immediately.

Financial assets:

2024	**Up to 3 months £m**	**3-12 months £m**	**1-5 years £m**	**Over 5 years £m**	**Total £m**
Investments held for the policyholders	27,237.8	-	-	-	27,237.8
Investments	-	-	2.6	-	2.6
Accrued income	14.2	-	-	-	14.2
Trade and other receivables	2.9	-	-	-	2.9
Loans	-	-	6.5	-	6.5
Cash and cash equivalents	244.1	-	-	-	244.1
Cash held for the benefit of policyholders	1,622.8	-	-	-	1,622.8
Total	**29,121.8**	**-**	**9.1**	**-**	**29,130.9**

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**	**-**	**24,663.2**

4. Risk and risk management (continued)

Financial liabilities:

2024	Up to 3 months £m	3-12 months £m	1-5 years £m	Over 5 years £m	Total £m
Liabilities for linked investment contracts	28,860.6	-	-	-	28,860.6
Trade and other payables	8.5	-	-	-	8.5
Lease liabilities	1.2	1.4	0.5	-	3.1
Total	**28,870.3**	**1.4**	**0.5**	**-**	**28,872.2**

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**

(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, changes to the competitive and industry landscape 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.

5. Disaggregation of revenue

The Group has the following categories of revenue:

- Annual charge - based on a fixed percentage applied to the value of the client's portfolio each month.
- Wrapper charge - based on a fixed quarterly charge per wrapper.
- Other income – dealing charges are charged based on a fixed fee for each type of transaction. Buy commissions were discontinued on 1st March 2024.
- 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	
	2024 £m	**2023 £m**
Annual charge	126.1	116.1
Wrapper charge	12.8	12.3
Other income	1.1	1.7
Adviser back-office technology	4.9	4.8
Total revenue	**144.9**	**134.9**

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)

Consolidated Statement of Comprehensive Income – segmental information for the year ended 30 September 2024:

	Investment administration services	Insurance and life assurance business	Adviser back-office technology	Other Group entities	Consolidation adjustments	Total
	£m	£m	£m	£m	£m	£m
Revenue						
Annual charge	67.8	58.3	-	-	-	126.1
Wrapper charge	3.1	9.7	-	-	-	12.8
Adviser back-office technology	-	-	4.9	-	-	4.9
Other income	0.8	0.3	-	84.5	(84.5)	1.1
Total revenue	**71.7**	**68.3**	**4.9**	**84.5**	**(84.5)**	**144.9**
Cost of sales	(1.3)	(0.9)	(0.8)	-	-	(3.0)
Gross profit/(loss)	**70.4**	**67.4**	**4.1**	**84.5**	**(84.5)**	**141.9**
Administrative expenses	(44.0)	(32.8)	(5.1)	(87.1)	84.0	(85.0)
Impairment losses	0.1	-	-	(4.9)	4.9	0.1
Operating profit/(loss)	**26.5**	**34.6**	**(1.0)**	**(7.5)**	**4.4**	**57.0**
Interest expense	-	-	-	(0.8)	0.6	(0.2)
Interest income	2.8	6.7	-	1.8	(0.6)	10.7
Net policyholder returns						
Net income attributable to policyholder returns	-	40.2	-	-	-	40.2
Change in investment contract liabilities	-	(3,051.7)	-	-	-	(3,051.7)
Fee and commission expenses	-	(232.7)	-	-	-	(232.7)
Policyholder investment returns	-	3,284.4	-	-	-	3,284.4
Net policyholder returns	**-**	**40.2**	**-**	**-**	**-**	**40.2**
Profit/(loss) on ordinary activities before taxation attributable to policyholders and shareholders	**29.3**	**81.5**	**(1.0)**	**(6.5)**	**4.4**	**107.7**
Policyholder tax charge	-	(38.8)	-	-	-	(38.8)
Profit/(loss) on ordinary activities before taxation attributable to shareholders	**29.3**	**42.7**	**(1.0)**	**(6.5)**	**4.4**	**68.9**
Total tax (charge) / benefit attributable to shareholder and policyholder returns	(6.1)	(48.5)	0.2	(1.4)	0.2	(55.6)
Less: tax attributable to policyholder returns	-	38.8	-	-	-	38.8
Shareholder tax (charge) / benefit on profit on ordinary activities	**(6.1)**	**(9.7)**	**0.2**	**(1.4)**	**0.2**	**(16.8)**
Profit/(loss) for the period	**23.2**	**33.0**	**(0.8)**	**(7.9)**	**4.6**	**52.1**

6. Segmental reporting (continued)

Consolidated 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	Consolidation adjustments	Total
	£m	£m	£m	£m	£m	£m
Revenue						
Annual charge	63.1	53.0	-	-	-	116.1
Wrapper charge	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)
Impairment losses	-	-	-	(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 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/(loss) on ordinary activities before taxation attributable to shareholders	**24.2**	**36.4**	**(1.4)**	**3.8**	**(0.4)**	**62.6**
Total tax (charge) / benefit attributable to shareholder and policyholder returns	(5.0)	(18.7)	0.5	(1.7)	0.1	(24.8)
Less: tax attributable to policyholder returns	-	12.1	-	-	-	12.1
Shareholder tax (charge) / benefit on profit on ordinary activities	**(5.0)**	**(6.6)**	**0.5**	**(1.7)**	**0.1**	**(12.7)**
Profit/(loss) for the period	**19.2**	**29.8**	**(0.9)**	**2.1**	**(0.3)**	**49.9**

6. Segmental reporting (continued)

Statement of Financial Position – segmental information for the year ended 30 September 2024:

	Investment administration services £m	Insurance and life assurance business £m	Adviser back-office technology £m	Total £m
Assets				
Non-current assets	11.7	19.7	1.2	32.6
Current assets	108.6	159.1	2.3	270.0
Total assets	**120.3**	**178.8**	**3.5**	**302.6**
Liabilities				
Current liabilities	10.8	35.7	1.0	36.3
Non-current liabilities	0.3	45.7	0.8	58.0
Total liabilities	**11.1**	**81.4**	**1.8**	**94.3**
Policyholder assets and liabilities				
Cash held for the benefit of policyholder	-	1,622.8	-	-
Investments held for the benefit of policyholders	-	27,237.8	-	-
Liabilities for linked investment contracts	-	(28,860.6)	-	-
Total policyholder assets and liabilities	-	-	-	-
Net assets	109.2	97.4	1.7	208.3
Non-current asset additions	0.5	0.5	-	1.0

6. Segmental reporting (continued)

Restated 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

Segmental information: Split by geographical location

	2024 £m	2023 £m
Revenue		
United Kingdom	138.8	129.4
Isle of Man	6.1	5.5
Total	**144.9**	**134.9**

	2024 £m	2023 £m
Non-current assets		
United Kingdom	24.9	23.4
Isle of Man	0.1	0.1
Total	**25.0**	**23.5**

7. Earnings per share

	2024	2023
Profit		
Profit for the year and earnings used in basic and diluted earnings per share	£52.1m	£49.9m
Weighted average number of shares		
Weighted average number of Ordinary shares	331.3m	331.3m
Weighted average numbers of Ordinary Shares held by EBT	(0.7m)	(0.5m)
Weighted average number of Ordinary Shares for the purposes of basic EPS	**330.6m**	**330.8m**
Adjustment for dilutive share option awards	0.7m	0.5m
Weighted average number of Ordinary Shares for the purposes of diluted EPS	**331.3m**	**331.3m**
Earnings per share		
Basic	15.8p	15.1p
Diluted	15.7p	15.1p

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

	2024 £m	2023 £m
Depreciation	1.8	2.1
Amortisation	0.4	0.4
Wages and employee benefits expense	57.8	52.8
Other staff costs	0.7	1.1
Auditor's remuneration:		
- auditing of the Financial Statements of the Company pursuant to the legislation	0.2	0.2
- auditing of the Financial Statements of subsidiaries	0.6	0.6
- other assurance services	0.4	0.4
Other professional fees	6.2	4.8
Regulatory fees	3.2	3.9
Non-underlying expenses:		
- Non-underlying expenses - backdated VAT	(0.1)	-
- Non-underlying expenses - interest on backdated VAT	(0.4)	-
- Other non-underlying expenses – deferred consideration	2.1	2.1
- Other non-underlying expenses – contingent consideration	-	(1.7)
- Other non-underlying expenses – office move	0.1	-
Short-term lease payments:		
- land and buildings	1.1	0.6
Other occupancy costs	2.0	2.2
Irrecoverable VAT	4.5	3.6
Other costs	4.4	3.1
Other income – tax relief due to shareholders	-	(1.6)
Total administrative expenses	**85.0**	**74.6**

Wages and employee benefits expense

The average number of staff (including executive directors) employed by the Group during the financial year amounted to:

	2024 No.	2023 No.
IT & Change Delivery	187	177
Client Operations	246	236
Operations	83	81
Sales & Marketing	38	40
Group Services	112	97
	666	**631**

8. Expenses by nature (continued)

We have changed the presentation of this table to provide information that is more relevant to users of the financial statements. This revised structure is likely to continue going forward and prior year comparative information has also been reclassified.

The Company has no employees (2023: nil).

Wages and employee (including executive directors) benefits expenses during the year, included within administrative expenses, were as follows:

	2024 £m	2023 £m
Wages and salaries	46.1	43.9
Social security costs	5.1	4.8
Other pension costs	4.3	2.0
Share-based payment costs	2.3	2.1
	57.8	**52.8**

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.

	2024 £m	2023 £m
Short-term employee benefits	2.3	3.0
Post-employment benefits	0.1	0.2
Share based payment	0.4	0.5
Social security costs	0.4	0.5
Highest paid director:		
Short-term employee benefits	0.6	0.6
Other benefits	0.1	0.2
	No.	**No.**
Number of directors for whom pension contributions are paid	3	8

Short-term employee benefits comprise salary and cash bonus.

Compensation of key management personnel has fallen compared with FY23. This is due to a reassessment of individuals considered to be key management personnel. Previously this included directors of subsidiary companies, while in FY24 this only includes the IHP board of directors.

9. Interest income

	Group 2024 £m	Company 2024 £m	Group 2023 £m	Company 2023 £m
Interest income on bank deposits	9.1	0.7	5.3	0.5
Interest income on tax repayments	0.1	-	0.4	-
Interest income on loans	0.5	0.5	0.4	0.4
Interest income on financial investments	1.0	-	0.3	-
	10.7	**1.2**	**6.4**	**0.9**

All interest income is calculated using the effective interest rate method, except for Interest income on tax repayments.

10. Policyholder investment returns

	2024 £m	2023 £m
Change in fair value of underlying assets	3,005.2	1,024.2
Investment income	279.2	225.1
Total policyholder investment returns	**3,284.4**	**1,249.3**

11. Tax on profit on ordinary activities

The UK estimated weighted average effective tax rate was 25% for the twelve-month period ended 30 September 2024 (30 September 2023: 22%), representing the tax rate enacted at the reporting date. For the entities within the Group operating outside of the UK, tax is charged at the relevant rate in each jurisdiction.

Group

a) Analysis of charge in year

The income tax expense comprises:

	2024 £m	2023 £m
Corporation tax		
Current year - corporation tax	17.0	12.7
Adjustment in respect of prior years	0.2	(0.1)
Total corporation tax	**17.2**	**12.6**
Deferred tax		
Current year	(0.4)	0.1
Total shareholder tax charge for the year	**16.8**	**12.7**
Policyholder taxation		
UK policyholder tax at 20% (2023: 20%)	15.7	-
Deferred tax at 25% (2023: 25%)	22.8	11.8
Tax deducted on overseas dividends	0.3	0.3
Total policyholder taxation	**38.8**	**12.1**
Total tax attributable to shareholder and policyholder returns	**55.6**	**24.8**

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:

	2024 £m	**2023 £m**
Profit on ordinary activities before taxation attributable to shareholders	68.9	62.6
Profit on ordinary activities multiplied by effective rate of Corporation Tax 25% (2023: 22%)	17.2	13.8
Effects of:		
Non-taxable dividends	(0.1)	-
Income / expenses not taxable / deductible for tax purposes multiplied by effective rate of corporation tax	0.2	(0.6)
Adjustments in respect of prior years	0.3	0.1
Effect of overseas tax rate jurisdiction	(0.8)	(0.6)
	16.8	**12.7**
Add policyholder tax	38.8	12.1
	55.6	**24.8**

Company

a) Analysis of charge in year

	2024 £m	**2023 £m**
Deferred tax charge/(credit) (see note 26)	-	-

b) Factors affecting tax charge for the year

	2024 £m	**2023 £m**
Profit on ordinary activities before tax	48.4	31.6
Profit on ordinary activities multiplied by effective rate of Corporation Tax 25% (2023: 22%)	12.1	7.0
Effects of:		
Non-taxable dividends	(15.1)	(7.3)
Expenses not deductible for tax purposes	1.7	-
Group loss relief	1.3	0.3
	-	**-**

12. Intangible assets – Group

Cost	Software and IP rights £m	Goodwill £m	Customer relationships £m	Software £m	Brand £m	Total £m
At 1 October 2023	12.5	18.3	2.1	2.0	0.3	35.2
At 30 September 2024	**12.5**	**18.3**	**2.1**	**2.0**	**0.3**	**35.2**
Amortisation						
At 1 October 2023	12.5	-	0.4	0.8	0.1	13.8
Charge for the year	**-**	**-**	0.1	0.3	-	0.4
At 30 September 2024	**12.5**	**-**	**0.5**	**1.1**	**0.1**	**14.2**
Net Book Value						
At 30 September 2023	-	18.3	1.7	1.2	0.2	21.4
At 30 September 2024	**-**	**18.3**	**1.6**	**0.9**	**0.2**	**20.9**

Cost	Software and IP rights £m	Goodwill £m	Customer relationships £m	Software £m	Brand £m	Total £m
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**

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 using cash flow projections from financial budgets approved by senior management covering a five-year period.

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

	2024 £m	2023 £m
Investment administration services	7.2	7.2
Insurance and life assurance business	5.7	5.7
Total	**12.9**	**12.9**

T4A

	2024 £m	2023 £m
Adviser back-office technology	5.3	5.3

The recoverable amounts of the above CGUs have been determined from value in use calculations based on cash flow projections from management-approved budgets covering a five year period to 30 September 2029. Post the five year business plan, the growth rate used to determine the terminal value of the cash generating units was based on the long-term growth rates shown below. The discount rate is assessed on an annual basis and has been calculated using the weighted average cost of capital.

Key assumptions used in the value in use calculations are as follows:

	IAD Pty		T4A	
	2024	**2023**	**2024**	**2023**
Discount rate	13.0%	13.2%	14.4%	14.0%
Forecast period	5 years	5 years	5 years	5 years
Long-term growth rate	2.0%	2.0%	3.0%	2.0%

Key assumptions used in the underlying cash flow projections are as follows:

IAD Pty

- Equity market levels – this is the key driver of FUD levels and therefore annual charges
- Net inflows – this is the other core component of FUD growth, and demonstrates the ongoing ability of the platform to continue to grow organically

T4A

- Licence user growth – T4A is continuing to develop its CURO offering and build up its client base to support future profitability, and growth in CURO users is key to this
- Expense inflation – as the T4A business grows, so will the cost base, which is being managed to help support the projections of future profitability

The annual impairment tests relating to both acquisitions indicated that no goodwill impairment is required, as the recoverable amount is higher than the carrying value of the CGUs. However, there is only £0.5 million headroom in the T4A assessment. As disclosed in note 2, the analysis indicates that there is a close proximity of the forecast to requiring impairment, and there is significant sensitivity in the projections of ongoing growth of the licence users.

12. Intangible assets – Group (continued)

Sensitivity to changes in assumptions
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. Additionally, given the close proximity of the T4A assessment to requiring impairment, this calculation is also sensitive in the discount rate.

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 any of the following changes to the assumptions would be required for the cash flows to result in a material impairment to goodwill:

IAD Pty
- a fall in equity markets of approximately 40%

T4A
- a reduction in the projected compound annual growth rate of CURO licence users of 2.3% per year
- An increase in the T4A discount rate from 14.4% to 21.0%

13. Property, plant and equipment – Group

Cost	**Leasehold improvements £m**	**Equipment £m**	**Fixtures and Fittings £m**	**Motor Vehicles £m**	**Total £m**
At 1 October 2023	1.8	3.4	0.5	0.1	5.8
Additions	0.1	0.9	-	-	1.0
Disposals	-	(0.2)	(0.1)	–	(0.3)
At 30 September 2024	**1.9**	**4.1**	**0.4**	**0.1**	**6.5**
Depreciation					
At 1 October 2023	1.5	2.9	0.3	–	4.7
Charge in the year	-	0.5	-	–	0.5
Disposals	-	(0.2)	-	–	(0.2)
At 30 September 2024	**1.5**	**3.2**	**0.3**	**–**	**5.0**
Net Book Value					
At 30 September 2023	0.3	0.5	0.2	0.1	1.1
At 30 September 2024	0.4	0.9	0.1	0.1	1.5

13. Property, plant and equipment – Group (continued)

Cost	Leasehold improvements £m	Equipment £m	Fixtures and Fittings £m	Motor Vehicles £m	Total £m
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

The Company holds no property, plant and equipment.

14. Right-of-use assets – Property – Group

Cost	**£m**
At 1 October 2023	1.7
Additions	2.7
At 30 September 2024	4.4
Depreciation	**£m**
At 1 October 2023	0.7
Charge in the year	1.1
At 30 September 2024	1.8
Net Book Value	
At 30 September 2023	1.0
At 30 September 2024	2.6

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

14. Right-of-use assets – Property – Group (continued)

Depreciation is calculated on a straight-line basis over the term of the lease.

The original lease on the Group's Clement's Lane office came to an end in June 2023. A new lease was signed in March 2024, and a corresponding right of use asset and lease liability recognised. Costs of the lease from July 2023 to March 2024 were recognised directly in the Consolidated Statement of Comprehensive Income as occupancy costs.

15. Investments in subsidiaries

	2024 £m	2023 £m
Carrying value at 1 October	35.3	33.3
Investment in subsidiary shares - IFAL	15.0	-
Impairment of investment	(6.3)	-
Share-based payments	2.2	2.0
Carrying value at 30 September	**46.2**	**35.3**

The increase in subsidiary shares relates to the purchase of £15.0 million worth of new shares issued by IFAL. See note 3. Financial instruments, section (v) Capital maintenance, for further information.

Impairment of investment

As disclosed in note 1, investments in subsidiaries are recognised by the Company at cost. The Company assesses at each reporting date, whether there is an indication that an investment in subsidiaries may be impaired.

The Company's investment in T4A has a carrying value of £13.0 million. While T4A business performance has improved this year, it is still yet to become profitable, and as at 30 September 2024 it had negative net assets of £0.4 million. There is therefore an indication of impaired, which has led to an impairment assessment being performed.

The impairment assessment compares the carrying value of the investment to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. The recoverable amount has been determined from value in use calculations based on cash flow projections from formally approved budgets covering a five year period to 30 September 2029. Post the five year business plan, the growth rate used to determine the terminal value of the cash generating units was based on the long-term growth rate shown below. The discount rate is assessed on an annual basis and has been calculated using the weighted average cost of capital.

Key assumptions used in the value in use calculations are as follows:

	2024	2023
Discount rate	17.0%	14.0%
Forecast period	5 years	5 years
Long-term growth rate	3.0%	2.0%

15. Investment in subsidiaries (continued)

Key assumptions used in the underlying cash flow projections are as follows:

T4A

- Licence user growth – T4A is continuing to develop its CURO offering and build up its client base to support future profitability, and growth in CURO users is key to this
- Expense inflation – as the T4A business grows, so will the cost base, which is being managed to help support the projections of future profitability

The analysis indicates that the recoverable amount of the investment is £6.7 million. As a result, management has recognised an impairment charge of £6.3 million in the current year against the investment. The impairment charge is recorded within administrative expenses in the Company statement of comprehensive income. As disclosed in note 2, the analysis indicates that there is a close proximity of the forecast to requiring impairment, and there is significant sensitivity in the projections of ongoing growth of the licence users.

Sensitivity to changes in assumptions
As the IHP investment in T4A is impaired, any adverse changes to the assumption noted above i.e. increases to the discount rate or expense assumption, and reductions in the licence user growth or long-term growth rate assumption, would lead to a further impairment.

The Company has investments in the ordinary share capital of the following subsidiaries at 30 September 2024:

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 and Integrated Application Development Pty Ltd.'s registered office address's are 19-25 Camberwell Road, Melbourne, Australia.

The above subsidiaries have all been included in the Financial Statements.

16. Loans

This note analyses the loans payable by and receivable to the Company. The carrying amounts of loans are as follows:

Loans receivable

	2024 £m	2023 £m
Loans receivable from third parties	6.6	6.5
Interest receivable on loans	0.2	0.1
Total gross loans	**6.8**	**6.6**
Expected credit losses allowance	(0.3)	(0.3)
Total net loans	**6.5**	**6.3**

Movement in the ECLs for the loan is as follows:

	2024 £m	2023 £m
Opening expected credit losses	(0.3)	(0.2)
Increase during the year	-	(0.1)
Balance at 30 September	**(0.3)**	**(0.3)**

The loans receivable are measured at amortised cost with the ECLs charged straight to the statement of comprehensive income.

Loans payable

	2024 £m	2023 £m
Loan payable to subsidiary	6.0	7.0
To be settled within 12 months	1.0	1.0
To be settled after 12 months	5.0	6.0
Total loan payable	**6.0**	**7.0**

The loan payable was initially recognised at fair value. Subsequent measurement is at amortised cost using the effective interest method. The interest charge is recognised on the Company statement of comprehensive income.

Interest on the loan is paid quarterly, whilst the remaining capital repayments are annual over the next 6 years.

17. Investments held for the benefit of policyholders

	2024 Cost £m	2024 Fair value £m	2023 Cost £m	2023 Fair value £m
ILINT	2,486.7	2,873.0	2,155.5	2,310.3
ILUK	20,746.4	24,364.8	19,249.9	20,711.4
Total	**23,233.1**	**27,237.8**	**21,405.4**	**23,021.7**

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

Unit linked liabilities	2024 Fair value £m	2023 Fair value £m
ILInt	3,110.7	2,481.5
ILUK	25,749.9	21,959.4
Total	**28,860.6**	**24,440.9**

Analysis of change in liabilities for linked investment contracts

	2024 £m	2023 £m
Opening balance	24,440.9	22,174.4
Investment inflows	3,490.7	2,670.3
Investment outflows	(2,057.2)	(1,400.5)
Changes in fair value of underlying assets	3,005.2	1,024.1
Investment income	279.2	225.1
Other fees and charges - Transact	(65.5)	(59.2)
Other fees and charges – third parties	(232.7)	(193.3)
Closing balance	**28,860.6**	**24,440.9**

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

	2024 £m	2023 £m
Bank balances – instant access	198.1	165.9
Bank balances – notice accounts	46.0	12.0
Total	**244.1**	**177.9**

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. £67.8 million (2023: £42.7 million) of the total balance is corporate cash held in respect of provisions for policyholder tax that will become payable either to HMRC or returned to policyholders.

20. Cash held for the benefit of policyholders

	2024 £m	2023 £m
Cash and cash equivalents held for the benefit of the policyholders – instant access - ILUK	1,385.0	1,248.0
Cash and cash equivalents held for the benefit of the policyholders – instant access - ILInt	237.8	171.2
Total	**1,622.8**	**1,419.2**

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 2024 £m	Group 2023 £m
Fair value through profit or loss		
Listed shares and securities	0.1	0.1
Total	**0.1**	**0.1**
Amortised cost		
Gilts	2.5	22.3
Total	**2.5**	**22.3**
	2.6	**22.4**

The gilts show above are interest-bearing and the associated income is referenced in Note 9 as "interest on financial investments".

22. Prepayments and accrued income

	Group 2024 £m	Company 2024 £m	Group 2023 £m	Company 2023 £m
Accrued income	15.1	-	13.5	-
Less: expected credit losses	(0.9)	-	(1.0)	-
Accrued income - net	**14.2**	-	**12.5**	-
Prepayments	4.6	-	4.7	-
Total	**18.8**	**-**	**17.2**	**-**

Movement in the ECLs (for accrued income and trade and other receivables) is as follows:

	2024 £m	2023 £m
Opening expected credit losses	(1.0)	(1.0)
Decrease during the year	0.1	-
Balance at 30 September	**(0.9)**	**(1.0)**

23. Trade and other receivables

	Group 2024 £m	Company 2024 £m	Group 2023 £m	Company 2023 £m
Other receivables	3.0	-	3.2	-
Less: expected credit losses	(0.1)	**-**	(0.1)	**-**
Other receivables net	**2.9**	**-**	**3.1**	**-**
Amounts owed by Group undertakings	-	0.1	-	0.1
Repayment interest due from HMRC	-	-	0.4	-
Total	**2.9**	**0.1**	**3.6**	**0.1**

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 2024 £m	Company 2024 £m	Group 2023 £m	Company 2023 £m
Trade payables	1.1	-	0.7	-
PAYE and other taxation	2.1	-	2.6	0.1
Other payables	8.2	0.6	6.8	0.4
Accruals	8.8	0.7	7.8	0.4
Deferred consideration	1.5	1.5	1.6	1.6
Due to group undertakings	-	0.2	-	-
Total	**21.7**	**3.0**	**19.5**	**2.5**

24. Trade and other payables (continued)

Other payables mainly comprises £6.5 million (2023: £5.3 million) in relation to bonds awaiting approval.

25. Lease liabilities

	2024 £m	2023 £m
Opening balance	1.1	2.8
Additions	2.6	0.2
Lease payments	(1.0)	(2.0)
Interest expense	0.2	0.1
Balance at 30 September	**2.9**	**1.1**
Amounts falling due within one year	2.5	0.3
Amounts falling due after one year	0.4	0.8

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.

The lease extension for the Group's Clement's Lane office was signed in March 2024.

26. Deferred tax

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 20% (2023: 20%) on policyholder assets and liabilities and 25% (2023: 25%) on non-policyholder items.

Deferred Tax Asset	**Accelerated Capital Allowances £m**	**Share based payments £m**	**Policyholder Unrealised losses/ (unrealised gains) £m**	**Policyholder Excess management expenses and deferred acquisition costs £m**	**Policyholder Unrealised losses on investment trusts £m**	**Other deductible temporary differences £m**	**Total £m**
At 1 October 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**
Excess tax relief charged to equity	-	-	-	-	-	-	-
Charge to income	-	0.5	-	(1.5)	(0.8)	-	(1.8)
Offset Deferred Tax Liability	(0.1)	-	-	1.5	0.8	-	2.2
At 30 September 2024	**-**	**1.0**	**-**	**-**	**-**	**0.1**	**1.1**

26. Deferred tax (continued)

Deferred Tax Liability	Accelerated capital allowances £m	Policyholder tax on unrealised gains £m	Other taxable differences £m	Total £m
At 1 October 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**
Charge to income	0.1	20.6	(0.1)	20.6
Offset against Deferred Tax asset	(0.1)	2.3	-	2.2
At 30 September 2024	**-**	**29.4**	**0.6**	**30.0**

The Company has no deferred tax assets or liabilities.

27. Provisions - Group

	2024 £m	2023 £m
Balance brought forward	48.2	56.8
Additional provisions made in the period, including increases to existing ILUK provision	7.1	5.3
Reduction in provisions made in the period	(7.6)	(3.5)
Amounts used from the ILUK provision during the period	(7.1)	(9.9)
Unused amounts reversed from the ILUK provision during the period	(1.5)	(1.6)
Increase in other provisions	0.6	1.1
Balance carried forward	**39.7**	**48.2**
Amounts falling due within one year	23.3	7.7
Amounts falling due after one year	16.4	40.5
Dilapidations provisions	0.2	0.2
ILUK policyholder reserves	37.8	46.9
Other provisions	1.7	1.1
Total	**39.7**	**48.2**

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. Share-based payments

Share-based payment reserve

	Group 2024 £m	Company 2024 £m	Group 2023 £m	Company 2023 £m
Balance brought forward	3.4	2.7	2.6	2.2
Movement in the year	0.7	0.7	0.8	0.5
Balance carried forward	**4.1**	**3.4**	**3.4**	**2.7**

28. Share-based payments (continued)

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 2024 was £nil (2023: £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 on 30 September. The cost to the Group in the financial year to 30 September 2024 was £0.9 million (2023: £0.8 million).

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 2024 was £0.5 million (2023: £0.5 million).

28. Share-based payments (continued)

(iii) Deferred bonus Share Option Plan

The Company implemented an annual deferred bonus Share Option Plan in December 2018. Awards granted under this plan 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 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 2024 was £0.8 million (2023: £0.9 million). 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.

Details of the movements in the share scheme during the year are as follows:

	2024 Weighted average exercise price (pence)	**2024 Shares (number)**	**2023 Weighted average exercise price (pence)**	**2023 Shares (number)**
SIP 2005				
Outstanding at start of the year	0.0	762,705	0.0	805,509
Shares withdrawn from the plan	0.0	(101,955)	0.0	(42,804)
Shares in the plan at end of year	**0.0**	**660,750**	**0.0**	**762,705**
Available to withdraw from the plan at end of year	**0.0**	**660,750**	**0.0**	**762,705**

The weighted average share price at the date of withdrawal for shares withdrawn from the plan during the year was 281.1 pence (2023: 273.1 pence).

At 30 September 2024, the exercise price was £nil as they were all nil cost options.

Details of the share awards outstanding are as follows:

	2024 Shares (number)	**2023 Shares (number)**
SIP 2018		
Shares in the plan at start of the year	1,205,612	854,247
Granted	554,178	504,113
Shares withdrawn from the plan	(167,217)	(152,748)
Shares in the plan at end of year	**1,592,573**	**1,205,612**
Available to withdraw from the plan at end of year	**678,656**	**557,544**

28. Share-based payments (continued)

	2024 Weighted average exercise price (pence)	2024 Share options (number)	2023 Weighted average exercise price (pence)	2023 Share options (number)
Deferred bonus Share Option Plan				
Outstanding at start of the year	0.00	899,664	0.00	675,307
Granted	0.00	386,145	0.00	293,376
Forfeited	0.00	-	0.00	-
Exercised	0.00	(41,673)	0.00	(69,019)
Outstanding at end of year	**0.00**	**1,244,136**	**0.00**	**899,664**
Exercisable at end of year	**0.00**	**337,654**	**0.00**	**249,985**

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:

	2024	2024 Additional Grant	2023
Deferred bonus Share Option Plan			
Share price at date of grant	299.4	293.0	287.8
Exercise price	Nil	Nil	Nil
Expected life	3 years	3 years	3 years
Risk free rate	3.7%	3.7%	3.5%
Dividend yield	3.4%	3.5%	3.5%
Weighted average fair value per option	**270.3p**	**263.9p**	**258.8p**

The additional grant relates to shares provided as part of a one-off compensation arrangement.

29. EBT reserve

Group:

	2024 £m	2023 £m
Balance brought forward	(2.6)	(2.4)
Purchase of own shares	(0.7)	(0.2)
Balance carried forward	**(3.3)**	**(2.6)**

Company:

	2024 £m	2023 £m
Balance brought forward	(2.4)	(2.1)
Purchase of own shares	(0.6)	(0.3)
Balance carried forward	**(3.0)**	**(2.4)**

29. EBT reserve (continued)

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 Deferred bonus Share Option Plan.

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 Deferred bonus Share Option Plan. 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.

30. Other reserves – Group

	2024	**2023**
	£m	**£m**
Foreign exchange reserves	(0.1)	(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.

31. Related parties

Transactions with Group companies

During the year the Company entered into the following transactions with related parties within the Group:

	2024	**2023**
	£m	**£m**
Service charges	(3.3)	-
Interest expense	(0.6)	(0.6)
Dividends received	60.5	33.4
Share subscription (see note 15)	(15.0)	-

At the year end the Company had the following intra-Group payables outstanding:

	2024	**2023**
	£m	**£m**
IntegraFin Services Limited	0.1	-
ILUK	6.0	5.0

The amount owed to ILUK relates to a loan of £10 million issued in FY21, with interest charged at a commercial rate. The Company is paying the loan off over ten years and made its annual payment of £1 million, plus accrued interest, during the year. The loan balance at year end was £6 million.

All transactions with fellow Group companies are provided on an arm's length basis.

31. Related parties (continued)

Other than as disclosed below regarding the subsidiary audit exemption, the Group has not been given or received any guarantees during 2024 or 2023 regarding related party transactions.

Subsidiary Audit Exemptions

In accordance with section 479A of the Companies Act 2006, IHP, has guaranteed the liabilities of the following subsidiary undertaking for the financial year ended 30 September 2024:

IntegraFin Limited (IL)
Company Registration Number: 03756516

As a result, IL is exempt from the requirement to have its accounts audited under the provisions of section 479A.

IHP confirms that it has issued a guarantee under section 479C of the Companies Act 2006 in respect of all outstanding liabilities of these subsidiaries as at the end of the financial year.

Transactions with key management personnel

Payments to key management personnel, defined as members of the IHP board of directors, are shown in the Remuneration Report. Key management personnel of the Company received a total of £3.6 million (2023: £3.6 million) in dividends during the year and benefitted from staff discounts for using the platform of £4k (2023: £4k). The number of IHP shares held at the end of the year by key management personnel was 34,450,505 (2023: 35,321,348), a decrease of 870,843 (2023: increase 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 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 (FY23: £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 £68k (FY23: £71k) for services received during the year, £42k (FY23: £44k) of which related to Michael Howard's services. IAD Pty received £45k (FY23: £43k) from OM for services provided during the year. IAD owed £1k to OM as at 30 September 2024 (30 September 2023: £2k).

All of the above transactions are commercial transactions undertaken in the normal course of business.

32. 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 £2.4 million (2023: £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.

33. Events after the reporting date

As per the Chair's statement on page 3, a second interim dividend of 7.2 pence per share was declared on 17 December 2024. This dividend has not been accrued in the Consolidated Statement of Financial Position.

34. Dividends

During the year to 30 September 2024 the Company paid interim dividends of £33.7 million (2023: £33.7 million) to shareholders. The Company received dividends from subsidiaries of £40.6 million (2023: £33.4 million).

Other Information

Executive directors

Michael Howard

Alexander Scott

Jonathan Gunby (Retired on 30 September 2024)

Euan Marshall

Non-executive directors

Richard Cranfield

Christopher Munro (Retired on 15 July 2024)

Rita Dhut

Caroline Banszky

Victoria Cochrane

Robert Lister

Company Secretary

Helen Wakeford

Independent auditor

Ernst and Young LLP, 25 Churchill Place, Canary Wharf, London E14 5EY

Solicitors

Eversheds Sutherland (International LLP), One Wood Street, London EC2V 7WS

Corporate advisers

Peel Hunt LLP, 7th Floor 100 Liverpool Street, London EC2M 2AT

Barclays Bank PLC, 1 Churchill Place, Canary Wharf, London E14 5HP

Principal bankers

National Westminster Bank Plc, 250 Bishopsgate, London EC2M 4AA

Registrars

Equiniti Group plc, Sutherland House, Russell Way, Crawley, West Sussex RH10 1UH

Registered office

29 Clement's Lane, London EC4N 7AE

Investor relations

Luke Carrivick 020 7608 5463

Website

www.integrafin.co.uk

Company number

8860879

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** / **2024 £bn** / **2023 £bn** Cash: 5.1 / 3.9 Assets: 59.0 / 51.1 FUD: 64.1 / 55.0 % change on the previous year: 17% / 10% **Average daily FUD** / **2024 £bn** / **2023 £bn** Cash: 4.6 / 3.5 Assets: 55.0 / 50.1 FUD: 59.6 / 53.6 % change on the previous year: 11% / 3% The measurement of FUD is the primary driver of the largest component of the Group's revenue. FUD is used to derive the annual charges due to the Group. These values are not reported within the Financial Statements or the accompanying notes.
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. / **2024 £bn** / **2023 £bn** Gross inflows: 8.1 / 6.4 Outflows: 5.6 / 3.7 Net inflows: 2.5 / 2.7 % change on the previous year: (7%) / (40%) 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 platform 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 registered 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.

	2024	2023
Advisers	8,048	7,683
% increase	5%	2%
Clients	234,998	230,294
% increase	2%	2%
T4A licence users	3,098	2,752
% increase	13%	22%

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.

	2024	2023
Client retention	94%	95%

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	Calculated as costs which have been incurred outside of the ordinary course of the business.

Non-underlying expenses	**2024 £m**	**2023 £m**
VAT costs	(0.1)	-
VAT interest	(0.4)	-
Deferred consideration	2.1	2.1
Contingent consideration	-	(1.7)
Office move	0.1	-
Non-underlying expenses	1.7	0.4

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 consideration payable in relation to the acquisition of T4A and is recognised as remuneration over four years from January 2021 to December 2024.

<table>
<tr>
<td>Underlying EPS</td>
<td>Financial review</td>
<td>Calculated as profit after tax net of non-underlying expenses, divided by called up equity share capital.
<table>
<tr><th></th><th>2024
£m</th><th>2023
£m</th></tr>
<tr><td>Profit after tax</td><td>52.1</td><td>49.9</td></tr>
<tr><td>Non-underlying expenses</td><td>1.7</td><td>0.4</td></tr>
<tr><td>Underlying profit after tax</td><td>53.8</td><td>50.3</td></tr>
<tr><td>Divide by: Called up equity share capital</td><td>3.3</td><td>3.3</td></tr>
<tr><td>Underlying earnings per share - diluted</td><td>16.2 pence</td><td>15.2 pence</td></tr>
</table>
</td>
</tr>
<tr>
<td>Underlying PBT</td>
<td>Financial review</td>
<td>Calculated as profit before tax net of non-underlying expenses.
<table>
<tr><th></th><th>2024
£m</th><th>2023
£m</th></tr>
<tr><td>Profit before tax</td><td>68.9</td><td>62.6</td></tr>
<tr><td>Add: Non-underlying expenses</td><td>1.7</td><td>0.4</td></tr>
<tr><td>Underlying profit before tax</td><td>70.6</td><td>63.0</td></tr>
</table>
</td>
</tr>
<tr>
<td>Platform revenue margin</td>
<td>Financial review</td>
<td>Calculated as platform revenue divided by average daily FUD for the year.
<table>
<tr><th></th><th>2024</th><th>2023</th></tr>
<tr><td>Platform revenue (£m)</td><td>140.0</td><td>130.2</td></tr>
<tr><td>Divide by: average daily FUD (£bn)</td><td>59.57</td><td>53.64</td></tr>
<tr><td>Revenue margin (bps</td><td>23.5</td><td>24.3</td></tr>
</table>
</td>
</tr>
<tr>
<td>PBT margin</td>
<td>Financial review</td>
<td>Calculated as profit before tax divided by revenue.
<table>
<tr><th></th><th>2024
£m</th><th>2023
£m</th></tr>
<tr><td>PBT</td><td>68.9</td><td>62.6</td></tr>
<tr><td>Divided by: revenue</td><td>144.9</td><td>134.9</td></tr>
<tr><td>PBT margin</td><td>48%</td><td>46%</td></tr>
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<table>
<tr><th colspan="3">Cash flow measures</th></tr>
<tr><td>Shareholder returns</td><td>Consolidated Statement of Comprehensive Income</td><td>Calculated as dividend per share paid to shareholders, which relate to the respective financial years.

<table><tr><th></th><th>2024</th><th>2023</th></tr><tr><td>1st interim dividend</td><td>3.2 p</td><td>3.2. p</td></tr><tr><td>2nd interim dividend</td><td>7.2 p</td><td>7.0 p</td></tr><tr><td>Shareholder returns</td><td>10.4 p</td><td>10.2 pence</td></tr><tr><td>% increase on previous financial year</td><td>2.0%</td><td>0.0%</td></tr></table>
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.</td></tr>
<tr><td>Dividend policy</td><td>Consolidated statement of comprehensive income</td><td>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.

<table><tr><th></th><th>2024
£m</th><th>2023
£m</th></tr><tr><td>Total cash dividends paid</td><td>34.5</td><td>33.7</td></tr><tr><td>Profit for the financial year</td><td>52.1</td><td>49.9</td></tr><tr><td>Dividends as a % of profit</td><td>66%</td><td>68%</td></tr></table>
Our policy is to pay approximately 60% to 65% of full year profit after tax as two interim dividends.

Delivery on dividend policy is a measurement of the ability of the business to generate distributable profits.</td></tr>
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