

26 May 2023

## **IntegraFin Holdings plc**

### **Announcement of half year results for the six months ended 31 March 2023**

#### **Headlines**

- Robust Transact platform net inflows of £1.6bn (HY22: £2.7bn), representing over 6% of opening funds under direction ('FUD') (annualised).
- Record Transact platform client numbers of 228k (HY22: 219k), a 4% increase from prior year.
- Total Group revenue of £66.5m (HY22: £67.0m), during a period with a 1% fall in Transact platform average daily FUD due to adverse market movements (HY23: £52.6bn; HY22: £53bn).
- Resilient underlying Group profit before tax of £29.4m (HY22: £32.4m), and IFRS profit before tax of £27.9m (HY22: £31.7m), as we continue investment in the business for future growth.
- The underlying result for FY23 is after adjusting for non-underlying expenses of £1.5m (T4A post combination remuneration). FY22 underlying Group PBT now includes £0.8m of VAT costs which were paid in September 2022, but were underlying costs for the HY22 period.
- Underlying Group earnings per share of 7.1p (HY22: 8.0p). IFRS Group earnings per share of 6.6p (HY22: 7.7p).
- The digitalisation programme for the Transact platform is well underway and is being positively received. The recruitment of IT and software professionals is progressing well, though at a slower pace than originally planned, whilst the market for IT professionals remains competitive. Recruitment will continue into FY24, but with no increase in the planned total additional headcount.
- The detailed cost guidance, which we disclosed in December 2022, for financial years ending 30 September 2023 and 30 September 2024 remains unchanged.
- Declared first interim dividend of 3.2 pence per share (HY22: 3.2pps).

## IHP Group - Financial highlights

	<b>Six months to 31 March 2023</b>	Six months to 31 March 2022
<b>Total Group revenue</b>	<b>£66.5m</b>	£67.0m
<b>Underlying profit before tax</b>	<b>£29.4m</b>	£32.4m
<b>IFRS profit before tax</b>	<b>£27.9m</b>	£31.7m
<b>Underlying earnings per share</b>	<b>7.1p</b>	8.0p
<b>IFRS earning per share</b>	<b>6.6p</b>	7.7p
<b>First interim dividend per share</b>	<b>3.2p</b>	3.2p

## Transact platform:

	<b>Six months to 31 March 2023</b>	Six months to 31 March 2022
<b>Net new business inflows</b>	<b>£1.6bn</b>	£2.7bn
<b>Closing funds under direction (‘FUD’)</b>	<b>£54.0bn</b>	£53.5bn
<b>Average daily FUD</b>	<b>£52.6bn</b>	£53.0bn
<b>Transact platform clients (as at 31 March)</b>	<b>228,232</b>	218,787
<b>Transact platform registered advisers (as at 31 March)</b>	<b>7,563</b>	7,356

**Time4Advice:**

	<b>Six months to 31 March 2023</b>	Six months to 31 March 2022
<b>Time4Advice revenue</b>	<b>£2.4m</b>	£1.7m
<b>Total number of CURO software users (as at 31 March)</b>	<b>2.5k</b>	1.8k

Alex Scott, IHP Group Chief Executive Officer, commented:

"I am pleased to report another solid performance, despite the six months to 31 March 2023 presenting a challenging backdrop for UK consumers and businesses, with persistently high inflation, macroeconomic uncertainty and volatile asset markets. The combination of the strength of the UK advisers we work with and the services provided by the Transact investment platform and the CURO adviser back office solution, ensured that we delivered a resilient performance.

Net inflows to the Transact platform were over 6% of opening period FUD and we now serve a record 228k clients, and 7.6k registered advisers.

During the period, market performance resulted in investment platform average daily FUD falling by 1% year on year. The main component of Group revenue is earned on average FUD, so this resulted in steady Group revenue. Furthermore, during a period of continuing investment in the business for future growth, we delivered a resilient underlying profit before tax for the Group of £29.4 million.

We continue to implement our Transact platform digitalisation programme to deliver comprehensive online functionality for advisers and clients, as well as straight through processing for core internal administration activities. This means that we will be able to make our business more scalable, and our customer services people will be able to spend more of their time on the most important value adding activities for clients and advisers.

Time4Advice continues to progress well, with registered users of the CURO software increasing by over 10% since year end.

In a period of ongoing economic and market volatility, clients rely more than ever on their advisers. Clients receive high quality, personal, financial planning and support delivered by UK authorised advisers.

As we've always done, we'll continue to support UK financial advisers and clients by providing our combination of in house technology and well trained people delivering high quality service. This creates a holistic financial planning solution for clients, which is both easier to deliver and more scalable for UK financial advisers.

Overall, we remain focused on our aim to be the number one provider of software and services for clients and UK financial advisers."

## **Enquiries**

### **Investors**

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## **2023 Half year results presentation**

IHP will be hosting a virtual analyst presentation at 09:30am on 26 May 2023. This will be available at [https://brrmedia.news/IntegraFin\\_Interims/](https://brrmedia.news/IntegraFin_Interims/) . 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/>.

## **Cautionary Statement**

These Interim Results have been prepared in accordance with the requirements of English Company Law and the liabilities of the Directors in connection with these Interim Results shall be subject to the limitations and restrictions provided by such law.

These Interim Results are prepared for and addressed only to the Company's shareholders as a whole and to no other person. The Company, its Directors, employees, agents or advisers do not accept or assume responsibility to any other person to whom these Interim Results are shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed.

These Interim Results contain forward looking statements, which are unavoidably subject to risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. It is believed that the expectations set out in these forward looking statements are reasonable but they may be affected by a wide range of variables which could cause future outcomes to differ from those foreseen. All statements in these Interim Results are based upon information known to the Company at the date of this report. Except as required by law, the Company undertakes no obligation to publicly update or revise any forward looking statement, whether as a result of new information, future events or otherwise.

## Financial review

### Operational performance

#### Transact funds under direction and flows

Closing funds under direction (FUD) at HY23 of £53.97 billion have grown 8% from year end, and 1% year on year (HY22: £53.50 billion).

Transact's net inflows for the first half year of the financial year were £1.63 billion and proved resilient, net flows represent an annualised net flow rate of over 6% of opening period FUD. This is testament to the strength of the advised investment platform proposition, attracting flows from both new and existing clients.

All metrics reflect the global market instability prevailing since the Russian invasion of Ukraine in early 2022, which has also contributed significantly to an inflationary global economic environment.

	<b>HY23</b> <b>£m</b>	<b>HY22</b> <b>£m</b>	<b>YE 2022</b> <b>£m</b>
<b>Opening FUD</b>	<b>50,070</b>	<b>52,112</b>	<b>52,112</b>
Inflows	3,294	4,068	7,275
Outflows	(1,669)	(1,385)	(2,873)
<b>Net flows</b>	<b>1,625</b>	<b>2,683</b>	<b>4,402</b>
Market movements	2,313	(1,169)	(6,248)
Other movements <sup>1</sup>	(35)	(126)	(196)
<b>Closing FUD</b>	<b>53,973</b>	<b>53,500</b>	<b>50,070</b>
<b>Average daily FUD for the period</b>	<b>52,643</b>	<b>53,038</b>	<b>52,544</b>

<sup>1</sup> Other movements includes fees, tax charges and rebates, dividends and interest.

Our investment platform gross inflows remain wholly organic and although they decreased year on year by 19%, this was when compared with our best ever half year in 2022. Outflows increased by 20%, however they remain within expectation, at an annualised rate of 7% of opening FUD.

Client numbers increased by 4% and registered advisers by 3%. Both metrics were impacted by a review of portfolios with small residual balances, which resulted in the reduction of 4.2k clients on the platform and 270 advisers. This ongoing exercise will help improve operational efficiency.

#### Time for Advice (T4A)

The number of paying users of CURO has increased 41% year on year, to 2.5k. The live testing of the next generation CURO software continues to progress well.

## Group financial performance

	HY23 Group £m	HY23 *Platform £m	HY22 Group £m	HY22 *Platform £m	YE 2022 Group £m
Revenue	66.5	64.1	67.0	65.3	133.6
Cost of sales	(2.3)	(1.8)	(0.9)	(0.5)	(2.1)
<b>Gross profit</b>	<b>64.2</b>	<b>62.3</b>	<b>66.1</b>	<b>64.8</b>	<b>131.5</b>
Operating expenses	(37.0)	(35.8)	(32.9)	(31.3)	(66.4)
Non-underlying expenses	(1.5)	-	(1.5)	-	(11.5)
<b>Operating profit</b>	<b>25.7</b>	<b>26.5</b>	<b>31.7</b>	<b>33.5</b>	<b>53.6</b>
Net interest income	2.2	1.9	0.0	0.2	0.7
<b>Profit before tax</b>	<b>27.9</b>	<b>28.4</b>	<b>31.7</b>	<b>33.7</b>	<b>54.3</b>
Tax on ordinary activities	(5.9)	(5.5)	(6.2)	(6.1)	(10.3)
<b>Profit after tax</b>	<b>22.0</b>	<b>22.9</b>	<b>25.5</b>	<b>27.6</b>	<b>44.0</b>
<b>Operating margin</b>	<b>39%</b>	<b>41%</b>	<b>47%</b>	<b>51%</b>	<b>41%</b>
<b>Earnings per share – basic and diluted</b>	<b>6.6p</b>		<b>7.7p</b>		

\* The Platform represents the activities conducted on Transact and excludes the activities of T4A. The T4A activities are included in the Group column. The Platform is equivalent to the investment administration services and insurance and life assurance business segments in note 3.

## Revenue

There are two streams of Group revenue: investment platform revenue and T4A revenue.

	HY23 £m	HY22 £m	YE 2022 £m
<b>Platform revenue</b>			
Recurring annual commission income	57.1	58.4	115.9
Recurring wrapper fee income	6.1	5.7	11.6
Other income	0.9	1.2	2.2
<b>Total platform revenue</b>	<b>64.1</b>	<b>65.3</b>	<b>129.7</b>
T4A revenue	2.4	1.7	3.9
<b>Total revenue</b>	<b>66.5</b>	<b>67.0</b>	<b>133.6</b>

## Investment platform revenue

Platform revenue comprises three elements, two of which are recurring. The recurring revenue streams are annual commission income (an annual, ad valorem tiered fee on FUD) and wrapper administration fee income (quarterly fixed wrapper fees for each of the tax wrapper types available). The third platform revenue stream is other income, which is composed of buy commission, which is a charge levied on asset purchases in portfolios of less than £0.1 million in value, and dealing charges.

Recurring revenue streams constituted 99% (HY22: 98%) of total platform revenue in the six months to 31 March 2023.

Annual commission income fell by £1.3 million (2%) in the period, when compared against HY22. This is due to a combination of average daily FUD for the period falling 1% year on year, plus the price reduction of one basis point (from 27bps to 26bps), which effected on 1 July 2022 and, therefore, impacted the whole of HY23.

Wrapper administration fee income increased by £0.4 million (7%) year on year, reflecting the increase in the number of open tax wrappers.

Buy commission of £0.5 million was included in other income (HY22: £0.9 million) and it halved year on year. The reason for this fall was primarily the reduction in the buy commission rebate threshold in March 2022. The required portfolio value for client family groups to receive the rebate was reduced from £0.3 million to £0.2 million from 1 March 2022, and it was further reduced with effect from 1 March 2023 to £0.1 million.

The purpose of the reductions remains that of removing an increasing proportion of clients out of the buy commission charge, simplifying the fee structure and delivering better value for money for clients.

## T4A revenue

T4A's revenue was £2.4 million in the half year to March 2023, compared with £1.7 million in HY22, an increase of 41%, which is consistent with the increase in paying CURO users of 41% year on year.

T4A's main revenue stream is licence fee income, which is recurring revenue generated from adviser firms who sign up to the CURO software, and accounts for 80% (HY22: 88%) of its revenue.

The other significant revenue stream is consultancy fee income, accounting for 18% (HY22: 10%) of its revenue. Consultancy fee income doubled year on year to £0.4 million, from £0.2 million in HY22.

## Interest income

The main component of our net assets is cash, with cash holdings of £184.4 million (HY22: £177.7 million), which has benefited us in a rising interest rate environment. This has led to interest income of £2.2 million (HY22: £0.1 million) in the half year to 31 March 2023.

## Operating expenses

	<b>HY23</b>	<b>HY22</b>	<b>YE 2022</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Staff costs	26.5	23.7	47.1
Occupancy	1.2	1.2	2.3
Regulatory and professional fees	5.0	4.6	9.8
Non-underlying expenses – backdated VAT and interest	-	-	8.8
Non-underlying expenses - other	1.5	1.5	2.7
Current year VAT	1.7	0.7	3.2
Other income – tax relief due to shareholders	(0.5)	(0.6)	(2.4)
Other costs	1.7	1.6	3.2
<b>Total expenses</b>	<b>37.1</b>	<b>32.7</b>	<b>74.7</b>
Depreciation and amortisation	1.4	1.6	3.0
<b>Total operating expenses</b>	<b>38.5</b>	<b>34.3</b>	<b>77.7</b>

In the six months to March 2023, total operating expenses increased by £4.2 million (12%), when compared with the six months to March 2022. This was in line with stated expectation.

Of note:

#### *Staff costs*

Staff costs have increased by £2.8 million (12%) to £26.5 million in the six months to March 2023.

The uplift is due to a number of factors: average Group headcount over the period increased by 4%, from 590 in HY22 to 616 in HY23, increasing costs by £0.8 million; enhanced pay rises of 7.5%, to reflect the rise in cost of living, were awarded in mid-2022 and increased salary costs year on year by £1.5 million; an increase in overtime costs of £0.2 million, as service initiatives were undertaken; and, salary/bonus restructure in October 2022, following feedback from employees and to better reflect the job market, also led to a higher overall cost of £0.1 million in the six months to 31 March 2023.

The above increases in staff costs, when annualised, are broadly in line with guidance given to the market in late 2022.

The planned increase in systems and software headcount, announced at HY22, is progressing steadily, with over half of the roles filled, including a Chief Technology Officer.

#### *Regulatory and professional fees*

Regulatory fees and professional fees have risen 9% (£0.4 million) year on year to £5.0 million (HY22: £4.6 million).

Professional fees are up £0.1 million (4%) year on year to £2.8 million (HY22: £2.7 million).

The remaining £0.3 million of the uplift is largely due to an increase in the regulatory fees levied on the UK insurance company in the Group, IntegraLife UK Limited (ILUK). All components of the fees levied were increased, with the FOS element, in particular, doubling.

#### *Current year VAT*

Current year VAT increased by £1.0 million, or 143% to £1.7 million, year on year.

This is due to us having to account for VAT on sums paid for software development and maintenance services to our wholly owned subsidiary, Integrated Application Development Pty Ltd (IAD), as a result of HMRC having terminated IAD's membership of our UK VAT group in January 2020. We dispute the grounds for this termination and have served HMRC with a notice of appeal.

### **Group profit**

Group profit before tax decreased by £3.8 million to £27.9 million, or 12% year on year.

This was expected, due to the planned investment in our people, as detailed above, as well as the impact of paying VAT on software fees. The resilience of revenue, plus the increase in interest income on Group cash, in a volatile macroeconomic environment, has mitigated some of the impact of the increase in costs.

Operating margin has reduced year on year, but remains at 39%. We see emerging efficiencies and growth, driven by investment in development resource and the ongoing digitalisation programme.



## **Financial position**

### **Capital and liquidity**

The Group's financial resources remain robust, with net assets of £172.0 million at HY23.

The Group's operations are highly cash generative, with profits emerging as cash. The Group continues to have no debt.

The Group maintains strong levels of liquid capital, over and above regulatory requirements, in line with risk appetites. The Group also considers the impact of regulatory capital requirements and risk appetites, before paying any dividend from the regulated subsidiaries to the parent company.

### **Dividends**

During the six month period to 31 March 2023, the Company paid a second interim dividend of £23.2 million to shareholders in respect of financial year 2022. This was in addition to the first interim dividend of £10.6 million, which was paid in June 2022.

In respect of the six months to 31 March 2023 (and in line with the full year dividend policy of paying 60 to 65% of profits after tax), the Board has declared a first interim dividend of £10.6 million, or 3.2 pence per ordinary share. This will be payable on 30 June 2023 to ordinary shareholders on the register on 9 June 2023, the ex-dividend date will be 8 June 2023. This compares with an interim dividend of £10.6 million, or 3.2 pence per ordinary share, for the same period in the prior year.

## **Directors' responsibility statement**

The Directors are responsible for preparing the condensed consolidated financial statements in accordance with applicable law and regulations. A list of current directors is maintained on the Group's website: <https://www.integrafin.co.uk>.

The Directors confirm that, to the best of their knowledge, the condensed consolidated financial statements have been prepared in accordance with UK adopted International Accounting Standard 34, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the issuer, or the undertakings included in the consolidation as a whole as required by DTR 4.2.4 R.

The Directors further confirm that the interim management report include a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R, namely:

- an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of consolidated Financial Statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related-party transactions in the first six months and any material changes in the related party transactions described in the last Annual Report.

### **By Order of the Board**

**Helen Wakeford**  
**Company Secretary**

Registered Office  
29 Clement's Lane  
London  
EC4N 7AE  
25 May 2023

# **Independent review report to IntegraFin Holdings plc**

## **Introduction**

We have been engaged by IntegraFin Holdings plc (the 'Company') to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2023 which comprises Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Statement of Financial Position, the Condensed Statement of Cash Flows, the Condensed Statement of Changes in Equity and the related notes 1 to 18. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

## **Directors' Responsibilities**

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

As disclosed in note 1, the annual financial statements of the Company are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

## **Our Responsibility**

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

## **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 March 2023 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

## **Ernst & Young LLP**

London

25 May 2023

## Unaudited Condensed Consolidated Statement of Comprehensive Income

	Note	Six months to 31 March 2023 £m	Six months to 31 March 2022 £m
<b>Revenue</b>			
Fee income	3	66.5	67.0
Cost of sales		(2.3)	(1.0)
<b>Gross profit</b>		<b>64.2</b>	<b>66.0</b>
Administrative expenses		(38.5)	(34.3)
<b>Operating profit</b>		<b>25.7</b>	<b>31.7</b>
Interest income		2.2	0.1
Interest expense		-	(0.1)
<b>Net policyholder returns<sup>1</sup></b>			
Net income/(loss) attributable to policyholder returns		12.9	(8.2)
Change in investment contract liabilities		(1,038.7)	544.1
Fee and commission expenses		(91.5)	(101.9)
Policyholder investment returns		1,130.2	(442.2)
<b>Net policyholder returns</b>		<b>12.9</b>	<b>(8.2)</b>
<b>Profit on ordinary activities before taxation attributable to policyholders and shareholders</b>		<b>40.8</b>	<b>23.5</b>
Tax (charge)/credit attributable to policyholder returns		(12.9)	8.2
<b>Profit on ordinary activities before taxation attributable to shareholders</b>		<b>27.9</b>	<b>31.7</b>
Total tax attributable to shareholder and policyholder returns		(18.8)	2.0
Less: tax charge/(credit) attributable to policyholder returns		12.9	(8.2)
<b>Shareholder tax on profit on ordinary activities</b>		<b>(5.9)</b>	<b>(6.2)</b>
<b>Profit for the period</b>		<b>22.0</b>	<b>25.5</b>
<b>Other comprehensive (loss)/income</b>			
Exchange gains/(losses) arising on translation of foreign operations		(0.1)	0.1
<b>Total other comprehensive income/(loss) for the period</b>		<b>(0.1)</b>	<b>0.1</b>
<b>Total comprehensive income for the period</b>		<b>21.9</b>	<b>25.6</b>
<b>Earnings per share</b>			
Ordinary shares – basic and diluted	4	6.6p	7.7p

<sup>1</sup>See note 1 for details on the presentational changes to policyholder balances.

All activities of the Group are classed as continuing.

**Notes 1 to 18 form part of these Financial Statements.**

## Unaudited Condensed Consolidated Statement of Financial Position

	Note	31 March 2023 £m	30 September 2022 £m
<b>Non-current assets</b>			
Loans		5.3	5.5
Intangible assets	7	21.6	21.8
Property, plant and equipment		1.0	1.2
Right of use assets		1.3	2.1
Deferred tax assets	6	0.7	6.0
		<b>29.9</b>	<b>36.6</b>
<b>Current assets</b>			
Financial assets at fair value through profit or loss		3.1	3.1
Other prepayments and accrued income		17.1	17.2
Trade and other receivables	13	4.4	2.0
Cash and cash equivalents	11	184.4	183.0
Current tax asset		13.5	15.0
		<b>222.5</b>	<b>220.3</b>
<b>Current liabilities</b>			
Trade and other payables	14	21.6	21.5
Provisions	8	2.6	10.7
Lease liabilities		0.8	1.9
		<b>25.0</b>	<b>34.1</b>
<b>Non-current liabilities</b>			
Provisions	8	44.1	46.1
Contingent consideration		2.2	1.7
Lease liabilities		0.8	0.9
Deferred tax liabilities	6	8.3	0.9
		<b>55.4</b>	<b>49.6</b>
<b>Policyholder assets and liabilities<sup>1</sup></b>			
Cash held for the benefit of policyholders	12	1,372.0	1,458.6
Investments held for the benefit of policyholders	9	22,487.6	20,715.8
Liabilities for linked investment contracts	10	(23,859.6)	(22,174.4)
		-	-
<b>Net assets</b>		<b>172.0</b>	<b>173.2</b>
<b>Capital and reserves</b>			
Called up equity share capital		3.3	3.3
Share-based payment reserve		2.8	2.6
Employee Benefit Trust reserve		(2.6)	(2.4)
Non-distributable reserves		5.7	5.7
Retained earnings		162.8	164.0
<b>Total equity</b>		<b>172.0</b>	<b>173.2</b>

<sup>1</sup>See note 1 for details on the presentational changes to policyholder balances.

These interim financial statements were approved by the Board of Directors on 25 May 2023 and are signed on their behalf by:

**Alexander Scott, Director**

Company Registration Number: 08860879

**Notes 1 to 18 form part of these Financial Statements.**

## Unaudited Condensed Consolidated Statement of Cash Flows

	Six months to 31 March 2023 £m	Six months to 31 March 2022 £m
<b>Cash flows from operating activities</b>		
Profit on ordinary activities before taxation attributable to policyholders and shareholders	40.8	23.5
<b>Adjustments for income statement non-cash movements:</b>		
Amortisation and depreciation	1.4	1.6
Share-based payments charge	1.1	1.0
Release of actuarial provision	-	(0.5)
(Decrease)/increase in provisions	(10.1)	15.9
Increase in contingent consideration	0.5	0.5
<b>Adjustments for cash affecting investing activities:</b>		
Interest on cash and loans	(2.2)	(0.1)
Interest charged on lease	-	0.1
Increase/(decrease) in current asset investments	-	(0.1)
<b>Adjustments for statement of financial position movements:</b>		
Increase in receivables	(2.4)	(6.3)
Increase in payables	0.2	0.8
Decrease in share-based payment reserve	(0.8)	(0.7)
<b>Adjustments for policyholder balances:</b>		
Increase in investments held for the benefit of policyholders	(1,771.8)	(414.3)
Increase in liabilities for linked investment contracts	1,685.2	562.7
Increase/(decrease) in policyholder tax recoverable	23.2	(5.9)
<b>Cash (used in)/generated from operations</b>	<b>(34.9)</b>	<b>178.2</b>
Income taxes paid	(27.9)	(2.4)
Interest paid on lease liabilities	-	(0.1)
<b>Net cash flows from operating activities</b>	<b>(62.8)</b>	<b>175.7</b>
<b>Investing activities</b>		
Acquisition of tangible assets	(0.2)	(0.2)
Decrease/(increase) in loans	0.2	(0.8)
Interest on cash and loans held	2.2	0.1
<b>Net cash used in investing activities</b>	<b>2.2</b>	<b>(0.9)</b>
<b>Financing activities</b>		
Purchase of own shares in Employee Benefit Trust	(0.2)	(0.4)
Equity dividends paid	(23.2)	(23.2)
Repayment of lease liabilities	(1.2)	(1.2)
<b>Net cash used in financing activities</b>	<b>(24.6)</b>	<b>(24.8)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(85.2)</b>	<b>150.0</b>
Cash and cash equivalents at beginning of period	1,641.6	1,442.4
Exchange gains/(losses) on cash and cash equivalents	-	0.1
<b>Cash and cash equivalents at end of period</b>	<b>1,556.4</b>	<b>1,592.5</b>



**Cash and cash equivalents consist of:**

Cash and cash equivalents	184.4	177.8
Cash held for the benefit of policyholders	1,372.0	1,414.7
<b>Cash and cash equivalents</b>	<b>1,556.4</b>	<b>1,592.5</b>

**Notes 1 to 18 form part of these Financial Statements.**

## Unaudited Condensed Consolidated Statement of Changes in Equity

	Share capital £m	Non- distributable insurance and other reserves £m	Share- based payment reserve £m	Employee benefit trust £m	Retained earnings £m	Total equity £m
<b>Balance at 1 October 2021</b>	<b>3.3</b>	<b>6.1</b>	<b>2.4</b>	<b>(2.1)</b>	<b>153.5</b>	<b>163.3</b>
<b>Comprehensive income for the year:</b>						
Profit for the year	-	-	-	-	25.5	25.5
Movement in currency translation	-	0.1	-	-	-	0.1
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>25.5</b>	<b>25.6</b>
Share-based payment expense	-	-	0.9	-	-	0.9
Settlement of share-based payment	-	-	(1.1)	-	-	(1.1)
Purchase of own shares in EBT	-	-	-	(0.4)	-	(0.4)
Exercised share options	-	-	-	0.1	(0.1)	-
Release of actuarial reserve	-	(0.5)	-	-	0.5	-
<b>Distributions to owners -</b>						
Dividends paid	-	-	-	-	(23.2)	(23.2)
<b>Balance at 31 March 2022</b>	<b>3.3</b>	<b>5.7</b>	<b>2.2</b>	<b>(2.4)</b>	<b>156.2</b>	<b>165.1</b>
<b>Balance at 1 October 2022</b>	<b>3.3</b>	<b>5.7</b>	<b>2.6</b>	<b>(2.4)</b>	<b>164.0</b>	<b>173.2</b>
<b>Comprehensive income for the year:</b>						
Profit for the year	-	-	-	-	22.0	22.0
Movement in currency translation	-	(0.1)	-	-	-	(0.1)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>(0.1)</b>	<b>-</b>	<b>-</b>	<b>22.0</b>	<b>21.9</b>
Share-based payment expense	-	-	1.1	-	-	1.1
Settlement of share-based payment	-	-	(1.1)	-	-	(1.1)
Purchase of own shares in EBT	-	-	-	(0.2)	-	(0.2)
Excess tax relief charged to equity	-	-	0.2	-	-	0.2
Other movements	-	0.1	-	-	-	0.1
<b>Distributions to owners -</b>						
Dividends paid	-	-	-	-	(23.2)	(23.2)
<b>Balance at 31 March 2023</b>	<b>3.3</b>	<b>5.7</b>	<b>2.8</b>	<b>(2.6)</b>	<b>162.8</b>	<b>172.0</b>

Notes 1 to 18 form part of these Financial Statements.

## Notes to the Financial Statements (unaudited)

### 1. Basis of preparation

The interim condensed consolidated financial statements have been prepared in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules (the DTR) of the UK's Financial Conduct Authority (the UK FCA).

The interim condensed consolidated set of financial statements has been prepared by applying the accounting policies and presentation that were applied in the preparation of the Group's published consolidated financial statements for the year ended 30 September 2022, which were prepared in accordance with UK-adopted International Accounting Standards (IASs).

The financial information contained in these interim financial statements are unaudited and do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The information has been reviewed by the company's auditor, Ernst & Young LLP, and their report is presented on pages 10-11.

The comparative financial information for the year ended 30 September 2022 in this interim report does not constitute statutory accounts for that year.

The statutory accounts for 30 September 2022 have been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

These interim financial statements should be read in conjunction with the Annual Report and Accounts for the year ended 30 September 2022. The Group's accounting policies, areas of significant judgement and the key sources of estimation uncertainty are consistent with those applied to the consolidated financial statements as at, and for, the year ended 30 September 2022.

#### **Presentational changes to Policyholder items**

In line with the statutory accounts for 30 September 2022, the following voluntary presentational changes have been made to the consolidated statement of comprehensive income and the consolidated statement of financial position in order to provide information that is more relevant to users of the financial statements, by splitting out the policyholder and shareholder values.

- The statement of comprehensive income has been updated with regard to the classification of net income/(loss) attributable to policyholder returns, which has moved into the net policyholder returns section, so that operating profit is presented as attributable to shareholders only.
- Profit on ordinary activities before taxation has first been presented on a total basis, showing profits attributable to both shareholders and policyholders. The tax attributable to policyholder returns has then been deducted from this to show the shareholder only profit before taxation. The tax charge or credit has also been presented in this way, with total tax attributable to shareholder and policyholders shown first, and tax attributable to policyholder returns then deducted to show the shareholder only tax charge.
- The statement of financial position has been updated with regard to the presentation of assets and liabilities; the policyholder assets and liabilities have been grouped together to enable the users of the accounts to see that these balances net off directly against each other. This includes splitting out cash attributable to policyholders from shareholder cash and cash equivalents and showing this in the policyholder assets and liabilities section.

Comparative information has also been updated, where relevant.

These changes will clearly allow users of the accounts to distinguish the Group performance separately to the performance of policyholder balances.

### **Going Concern**

The interim 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 Interim Results are approved, and the board has concluded that the Group has adequate resources, liquidity and capital to continue in operational existence for the 12 months from the approval of the Interim Results. 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 31 March 2023, the Group had £184.4 million of shareholder cash on the balance sheet, demonstrating that liquidity remains strong.
- Detailed cash flow and working capital projections; and
- Stress-testing of liquidity, profitability and regulatory capital, taking account of possible adverse changes in trading performance.

When making this assessment, the board has taken into consideration both the Group's current performance and the future outlook, including the impact of events in Ukraine and rising inflation rates. Market volatility and uncertainty is expected to continue for some time, due to these evolving world events and the effect of measures taken to combat it, but the Group's fundamentals remain strong.

Having conducted detailed cash flow and working capital projections, and stress-tested liquidity, profitability and regulatory capital, 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). Accordingly, the board does not believe a material uncertainty exists that would have an effect on the going concern of the Group and have prepared the interim financial statements on a going concern basis.

### **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

## **2. Financial instruments**

### **Financial instruments not measured at fair value**

Financial instruments not measured at fair value include cash and cash equivalents, cash held for the benefit of policyholders, accrued fees, loans, trade and other receivables, and trade and other payables. Due to their short-term nature and/or expected credit losses recognised, the carrying value of these financial instruments approximates their fair value.

## Financial instruments measured at fair value

The following tables show the carrying values of assets and liabilities held at fair value:

Financial assets:

	Fair value through profit or loss	
	31 March 2023	30 September 2022
	£m	£m
Listed shares and securities	0.1	0.1
Investments in quoted debt instruments	3.0	3.0
Investments held for the policyholders	22,487.6	20,715.8
<b>Total financial assets</b>	<b>22,490.7</b>	<b>20,718.9</b>

Financial liabilities:

	Fair value through profit or loss	
	31 March 2023	30 September 2022
	£m	£m
Liabilities for linked investment contracts	23,859.6	22,174.4
<b>Total financial liabilities</b>	<b>23,859.6</b>	<b>22,174.4</b>

## Financial instruments measured at fair value – fair value hierarchy

The table below classifies financial assets and liabilities that are recognised on the statement of financial position at fair value in a hierarchy that is based on significance of the inputs used in making the measurements.

Investments held for the benefit of policyholders are stated at fair value and reported on a separate line in the statement of financial position.

Assets held at fair value also comprises investments held in gilts, and these are held at fair value through profit and loss.

Liabilities for linked investment contracts are stated at fair value and reported on a separate line in the statement of financial position.

The following table shows the three levels of the fair value hierarchy (FVH):

Fair value hierarchy	Description of hierarchy	Types of investments classified at each level
Level 1	Quoted prices (unadjusted) in active markets for identical assets	Listed equity securities, gilts, actively traded pooled investments such as OEICS and unit trusts.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset either directly (i.e. as prices) or indirectly (i.e. derived from prices)	Actively traded unlisted equity securities where there is no significant unobservable inputs, structured products and regularly priced but not actively traded instruments.
Level 3	Inputs that are not based on observable market data (unobservable inputs).	Unlisted equity securities with significant unobservable inputs, inactive pooled investments.

Note that the classification of the liabilities for linked investment contracts follows that of the financial assets to which they are linked.

For the purposes of identifying level 3 assets, unobservable inputs means that current observable market information is no longer available. Where these assets arise management will value them based on the last known observable market price. No other valuation techniques are applied.

The following table shows the Group's assets and liabilities measured at fair value and split into the three levels:

### At 31 March 2023

Financial assets:

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
<b>Investments and assets held for the benefit of policyholders</b>				
Term deposits	127.6	-	-	127.6
Investments and securities	744.7	171.8	1.2	917.7
Bonds and other fixed-income securities	13.2	0.6	-	13.8
Holdings in collective investment schemes	21,301.6	126.0	0.9	21,428.5
	<b>22,187.1</b>	<b>298.4</b>	<b>2.1</b>	<b>22,487.6</b>
Other investments	3.1	-	-	3.1
<b>Total</b>	<b>22,190.2</b>	<b>298.4</b>	<b>2.1</b>	<b>22,490.7</b>

Financial liabilities:

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Liabilities for linked investment contracts	23,559.1	298.4	2.1	23,859.6

### At 30 September 2022

Financial assets:

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
<b>Investments and assets held for the benefit of policyholders</b>				
Term deposits	63.9	-	-	63.9
Investments and securities	631.9	137.9	0.3	770.1
Bonds and other fixed-income securities	10.9	1.2	-	12.1
Holdings in collective investment schemes	19,730.4	137.7	1.6	19,869.7
	<b>20,437.1</b>	<b>276.8</b>	<b>1.9</b>	<b>20,715.8</b>
Other investments	3.1	-	-	3.1
<b>Total</b>	<b>20,440.2</b>	<b>276.8</b>	<b>1.9</b>	<b>20,718.9</b>

Financial liabilities:

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Liabilities for linked investment contracts	21,895.7	276.8	1.9	22,174.4

The Group regularly reviews whether a market is active or not, based on available market data and the specific circumstances of each market.

## Level 1 valuation methodology

Financial assets and liabilities 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 financial assets are mainly collective investment schemes and listed equity instruments.

## Level 2 and Level 3 valuation methodology

Financial assets and liabilities included in Level 2 are measured at fair value using observable mid prices traded in markets that have been assessed as not active enough to be included in Level 1.

Otherwise, financial assets and liabilities are included in Level 3. These assets and liabilities have unobservable inputs as the current observable market information is no longer available. Where these assets and liabilities arise management will value them based on the last known observable market price. No other valuation techniques are applied.

## Level 3 sensitivity to changes in unobservable measurements

For financial assets and liabilities 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.

## Changes to valuation methodology

There have been no changes in valuation methodology during the period under review.

## Transfers between Levels

The Company's policy is to assess each financial asset and liability it holds at the period end, based on the last known price and market information, and assign it to a Level.

The Company 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, whether a market is now active or not.

Transfers between Levels 1 and 2 between 30 September 2022 and 31 March 2023 are presented in the table below at their valuation at 31 March 2023:

<b>Transfers from</b>	<b>Transfers to</b>	<b>£m</b>
Level 1	Level 2	1.7
Level 2	Level 1	22.7

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

	<b>£m</b>
<b>Opening balance 1<sup>st</sup> October 2022</b>	<b>1.9</b>
Unrealised gains or losses in the year ended 31 March 2023	-
Purchases, sales, issues and settlement	1.0
Transfers in to Level 3 at 31 March 2023 valuation	0.2
Transfers out of Level 3 at 31 March 2023 valuation	(1.0)
<b>Closing balance 31<sup>st</sup> March 2023</b>	<b>2.1</b>

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

The Group regularly assesses assets and liabilities to ensure they are categorised correctly and 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 asset price become observable following the resumption of trading the FVH level will be updated to reflect this.

### 3. 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 IntegraLife International Limited (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.



**Statement of comprehensive income – segmental information for the six months ended 31 March 2023:**

	Investment administration services £m	Insurance and life assurance business £m	Adviser back- office technology £m	Other Group entities £m	Consolidation adjustments £m	Total £m
<b>Revenue</b>						
Annual commission income	31.1	26.0	-	-	-	57.1
Wrapper fee income	1.5	4.6	-	-	-	6.1
Adviser back-office technology	-	-	2.4	-	-	2.4
Other income	0.6	0.3	-	36.9	(36.9)	0.9
<b>Total revenue</b>	<b>33.2</b>	<b>30.9</b>	<b>2.4</b>	<b>36.9</b>	<b>(36.9)</b>	<b>66.5</b>
Cost of sales	(1.6)	(0.3)	(0.3)	(0.1)	-	(2.3)
<b>Gross profit/(loss)</b>	<b>31.6</b>	<b>30.6</b>	<b>2.1</b>	<b>36.8</b>	<b>(36.9)</b>	<b>64.2</b>
Administrative expenses	(21.0)	(14.9)	(2.9)	(36.4)	36.7	(38.5)
<b>Operating profit/(loss)</b>	<b>10.6</b>	<b>15.7</b>	<b>(0.8)</b>	<b>0.4</b>	<b>(0.2)</b>	<b>25.7</b>
Interest expense	-	-	-	(0.3)	0.3	-
Interest income	0.4	1.5	-	0.6	(0.3)	2.2
<b>Net policyholder returns</b>						
Net income/(loss) attributable to policyholder returns	-	12.9	-	-	-	12.9
Change in investment contract liabilities	-	(1,038.7)	-	-	-	(1,038.7)
Fee and commission expenses	-	(91.5)	-	-	-	(91.5)
Policyholder investment returns	-	1,130.2	-	-	-	1,130.2
<b>Net policyholder returns</b>	<b>-</b>	<b>12.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12.9</b>
<b>Profit/(loss) on ordinary activities before taxation attributable to policyholders and shareholders</b>	<b>11.0</b>	<b>30.1</b>	<b>(0.8)</b>	<b>0.7</b>	<b>(0.2)</b>	<b>40.8</b>
Policyholder tax credit/(charge)	-	(12.9)	-	-	-	(12.9)
<b>Profit on ordinary activities before taxation attributable to shareholders</b>	<b>11.0</b>	<b>17.2</b>	<b>(0.8)</b>	<b>0.7</b>	<b>(0.2)</b>	<b>27.9</b>
Total tax attributable to shareholder and policyholder returns	(2.3)	(16.0)	0.2	(0.7)	-	(18.8)
Less: tax attributable to policyholder returns	-	12.9	-	-	-	12.9
<b>Shareholder tax on profit on ordinary activities</b>	<b>(2.3)</b>	<b>(3.1)</b>	<b>0.2</b>	<b>(0.7)</b>	<b>-</b>	<b>(5.9)</b>
<b>Profit/(loss) for the period</b>	<b>8.7</b>	<b>14.1</b>	<b>(0.6)</b>	<b>-</b>	<b>(0.2)</b>	<b>22.0</b>

**Statement of comprehensive income – segmental information for the six months ended 31 March 2022:**

	Investment administration services £m	Insurance and life assurance business £m	Adviser back- office technology £m	Other Group entities £m	Consolidation adjustments £m	Total £'000
<b>Revenue</b>						
Annual commission income	31.9	26.5	-	-	-	58.4
Wrapper fee income	1.4	4.3	-	-	-	5.7
Adviser back-office technology	-	-	1.7	-	-	1.7
Other income	0.8	0.4	-	32.1	(32.1)	1.2
<b>Total revenue</b>	<b>34.1</b>	<b>31.2</b>	<b>1.7</b>	<b>32.1</b>	<b>(32.1)</b>	<b>67.0</b>
Cost of sales	(0.4)	(0.2)	(0.2)	(0.2)	-	(1.0)
<b>Gross profit/(loss)</b>	<b>33.7</b>	<b>31.0</b>	<b>1.5</b>	<b>31.9</b>	<b>(32.1)</b>	<b>66.0</b>
Administrative expenses	(18.6)	(12.6)	(2.6)	(32.4)	31.9	(34.3)
Credit loss allowance on financial assets	-	-	-	-	-	-
<b>Operating profit/(loss)</b>	<b>15.1</b>	<b>18.4</b>	<b>(1.1)</b>	<b>(0.5)</b>	<b>(0.2)</b>	<b>31.7</b>
Interest expense	-	-	-	(0.3)	0.2	-
Interest income	-	0.2	-	0.1	(0.2)	-
<b>Net policyholder returns</b>						
Net income/(loss) attributable to policyholder returns	-	(8.2)	-	-	-	(8.2)
Change in investment contract liabilities	-	544.1	-	-	-	544.1
Fee and commission expenses	-	(101.9)	-	-	-	(101.9)
Policyholder investment returns	-	(442.2)	-	-	-	(442.2)
<b>Net policyholder returns</b>	<b>-</b>	<b>(8.2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8.2)</b>
<b>Profit/(loss) on ordinary activities before taxation attributable to policyholders and shareholders</b>	<b>15.1</b>	<b>10.4</b>	<b>(1.1)</b>	<b>(0.7)</b>	<b>(0.2)</b>	<b>23.5</b>
Policyholder tax credit/(charge)	-	8.2	-	-	-	8.2
<b>Profit on ordinary activities before taxation attributable to shareholders</b>	<b>15.1</b>	<b>18.6</b>	<b>(1.1)</b>	<b>(0.7)</b>	<b>(0.2)</b>	<b>31.7</b>
Total tax attributable to shareholder and policyholder returns	(2.9)	5.0	0.2	(0.4)	0.1	2.0
Less: tax attributable to policyholder returns	-	(8.2)	-	-	-	(8.2)
<b>Shareholder tax on profit on ordinary activities</b>	<b>(2.9)</b>	<b>(3.2)</b>	<b>0.2</b>	<b>(0.4)</b>	<b>0.1</b>	<b>(6.2)</b>
<b>Profit/(loss) for the period</b>	<b>12.2</b>	<b>15.4</b>	<b>(0.9)</b>	<b>(1.1)</b>	<b>(0.1)</b>	<b>25.5</b>

**Statement of financial position – segmental information as at 31 March 2023:**

	<b>Investment administration services £m</b>	<b>Insurance and life assurance business £m</b>	<b>Adviser back-office technology £m</b>	<b>Total £m</b>
<b>Assets</b>				
Non-current assets	9.5	19.5	0.9	29.9
Current assets	73.2	146.3	3.0	222.5
<b>Total assets</b>	<b>82.7</b>	<b>165.8</b>	<b>3.9</b>	<b>252.4</b>
<b>Liabilities</b>				
Current liabilities	9.0	15.0	1.0	25.0
Non-current liabilities	2.0	53.2	0.2	55.4
<b>Total liabilities</b>	<b>11.0</b>	<b>68.2</b>	<b>1.2</b>	<b>80.4</b>
<b>Policyholder assets and liabilities</b>				
Cash held for the benefit of policyholder	-	1,372.0	-	1,372.0
Investments held for the benefit of policyholder	-	22,487.6	-	22,487.6
Liabilities for linked investment contracts	-	(23,859.6)	-	(23,859.6)
<b>Total policyholder assets and liabilities</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>0.0</b>
<b>Net assets</b>	<b>71.7</b>	<b>97.6</b>	<b>2.7</b>	<b>172.0</b>
<b>Non-current asset additions</b>	<b>-</b>	<b>0.2</b>	<b>-</b>	<b>0.2</b>

**Statement of financial position – segmental information as at 30 September 2022:**

	<b>Investment administration services £m</b>	<b>Insurance and life assurance business £m</b>	<b>Adviser back-office technology £m</b>	<b>Total £m</b>
<b>Assets</b>				
Non-current assets	10.4	30.6	0.8	41.8
Current assets	71.8	144.7	3.8	220.3
<b>Total assets</b>	<b>82.2</b>	<b>175.3</b>	<b>4.6</b>	<b>262.1</b>
<b>Liabilities</b>				
Current liabilities	10.5	22.5	1.1	34.1
Non-current liabilities	1.9	52.8	0.1	54.8
<b>Total liabilities</b>	<b>12.4</b>	<b>75.3</b>	<b>1.2</b>	<b>88.9</b>
<b>Policyholder assets and liabilities</b>				
Cash held for the benefit of policyholder	-	1,458.6	-	1,458.6
Investments held for the benefit of policyholder	-	20,715.8	-	20,715.8
Liabilities for linked investment contracts	-	(22,174.4)	-	(22,174.4)
<b>Total policyholder assets and liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net assets</b>	<b>69.8</b>	<b>100.0</b>	<b>3.4</b>	<b>173.2</b>
<b>Non-current asset additions</b>	<b>0.2</b>	<b>0.1</b>	<b>-</b>	<b>0.3</b>

## Segmental information: Split by geographical location

Revenue	Six months to 31 March 2023 £m	Six months to 31 March 2022 £m
United Kingdom	63.8	64.4
Isle of Man	2.7	2.6
<b>Total</b>	<b>66.5</b>	<b>67.0</b>

Non-current assets	31 March 2023 £m	30 September 2022 £m
United Kingdom	23.8	25.1
Isle of Man	0.1	-
<b>Total</b>	<b>23.9</b>	<b>25.1</b>

## 4. Earnings per share

	Six months to 31 March 2023	Six months to 31 March 2022
<b>Profit</b>		
Profit for the year and earnings used in basic and diluted earnings per share	£22.0m	£25.5m
<b>Weighted average number of shares</b>		
Weighted average number of Ordinary shares	331.3m	331.3m
Weighted average numbers of Ordinary Shares held by Employee Benefit Trust	(0.5m)	(0.4m)
<b>Weighted average number of Ordinary Shares for the purposes of basic EPS</b>	<b>330.8m</b>	<b>330.9m</b>
Adjustment for dilutive share option awards	0.5m	0.4m
<b>Weighted average number of Ordinary Shares for the purposes of diluted EPS</b>	<b>331.3</b>	<b>331.3</b>
<b>Earnings per share</b>		
Basic earnings per share	6.6p	7.7p
Diluted earnings per share	6.6p	7.7p

## 5. Tax on profit on ordinary activities

The UK estimated weighted average effective tax rate was 22% for the six month period ended 31 March 2023 (31 March 2022: 19%), 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.

## 6. Deferred tax

Deferred tax is calculated in full on temporary differences using a tax rate of 25% (2022: 25%). The increase in the UK corporation tax rate to 25% was substantively enacted in May 2021. This new rate has been applied to deferred tax balances which are expected to reverse after 1 April 2023, the date on which that new rate became effective.

## 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 30 September 2021	-	0.6	-	-	-	0.1	0.7
Excess tax relief charged to equity	-	(0.3)	-	-	-	-	(0.3)
Offset deferred tax liability	-	-	(5.2)	-	-	-	(5.2)
Charge to income	0.1	0.2	8.1	2.2	0.2	-	10.8
At 30 September 2022	0.1	0.5	2.9	2.2	0.2	0.1	6.0
Charge to income	-	0.1	(2.9)	2.6	0.1	-	(0.2)
Offset deferred tax liability	-	-	-	(4.8)	(0.3)	-	(5.1)
<b>As at 31 March 2023</b>	<b>0.1</b>	<b>0.6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.1</b>	<b>0.7</b>

## Deferred Tax Liability

	Accelerated capital allowances £m	Share based payments £m	Policyholder tax on unrealised gains £m	Other taxable differences £m	Total £m
At 30 September 2021	0.1	-	28.4	1.0	29.5
Offset against deferred tax asset	-	-	(5.2)	-	(5.2)
Charge to income	(0.1)	-	(23.2)	(0.1)	(23.4)
At 30 September 2022	-	-	-	0.9	0.9
Offset against deferred tax asset	-	-	(5.2)	-	(5.2)
Charge to income	-	-	12.6	-	12.6
<b>As at 31 March 2023</b>	<b>-</b>	<b>-</b>	<b>7.4</b>	<b>0.9</b>	<b>8.3</b>

## 7. Intangible assets

	Software and IP rights £m	Goodwill £m	Customer relationships £m	Software £m	Brand £m	Total £m
<b>Cost</b>						
At 1 October 2022	12.5	18.3	2.1	2.0	0.3	35.2
At 31 March 2023	<b>12.5</b>	<b>18.3</b>	<b>2.1</b>	<b>2.0</b>	<b>0.3</b>	<b>35.2</b>
<b>Amortisation</b>						
At 1 October 2022	12.5	-	0.3	0.5	0.1	13.4
Charge for the year	-	-	0.1	0.1	-	0.3
At 31 March 2023	<b>12.5</b>	<b>-</b>	<b>0.4</b>	<b>0.6</b>	<b>0.1</b>	<b>13.7</b>
<b>Net Book Value</b>						
At 1 October 2022	-	18.3	1.8	1.5	0.2	21.8
At 31 March 2023	-	18.3	1.7	1.4	0.2	21.6
<b>Cost</b>						
At 1 October 2021	12.5	18.3	2.1	2.0	0.3	35.2
At 31 March 2022	<b>12.5</b>	<b>18.3</b>	<b>2.1</b>	<b>2.0</b>	<b>0.3</b>	<b>35.2</b>
<b>Amortisation</b>						
At 1 October 2021	12.5	-	0.1	0.2	0.0	12.8
Charge for the year	-	-	0.1	0.1	0.0	0.2
At 31 March 2022	<b>12.5</b>	<b>-</b>	<b>0.2</b>	<b>0.3</b>	<b>0.0</b>	<b>13.0</b>
<b>Net Book Value</b>						
At 1 October 2021	-	18.3	2.0	1.8	0.2	22.3
At 31 March 2022	-	18.3	1.9	1.6	0.2	22.0

Amortisation of intangible assets is recognised within administrative expenses in the statement of comprehensive income.

## 8. Provisions

	<b>31 March 2023 £m</b>	<b>30 September 2022 £m</b>
Balance brought forward	56.8	17.8
Decrease in dilapidations provision	-	(0.3)
Decrease in ILInt non-linked unit provision	-	(0.1)
(Decrease)/increase in ILUK policyholder reserves	(11.3)	45.0
Increase/(decrease) in other provisions	1.2	(5.6)
Balance carried forward	<b>46.7</b>	<b>56.8</b>
Amounts falling due within one year	2.8	10.7
Amounts falling due after one year	43.9	46.1
Dilapidations provisions	0.2	0.2
Current ILUK policyholder reserves	1.4	10.7
Non-current ILUK policyholder reserves	43.9	45.9
Other provisions	1.2	-
	<b>46.7</b>	<b>56.8</b>

ILUK tax provision 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.

## 9. Investments held for the benefit of policyholders

	<b>31 March 2023 Cost £m</b>	<b>31 March 2023 Fair value £m</b>	<b>30 September 2022 Cost £m</b>	<b>30 September 2022 Fair value £m</b>
<b>ILInt</b>				
Investments held for the benefit of policyholders	2,076.9	2,243.2	1,988.9	2,057.2
	<b>2,076.9</b>	<b>2,243.2</b>	<b>1,988.9</b>	<b>2,057.2</b>
<b>ILUK</b>				
Investments held for the benefit of policyholders	21,796.0	20,244.4	19,215.4	18,658.6
	<b>21,796.0</b>	<b>20,244.4</b>	<b>19,215.4</b>	<b>18,658.6</b>
<b>Total</b>	<b>23,872.9</b>	<b>22,487.6</b>	<b>21,204.3</b>	<b>20,715.8</b>

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.

## 10. Liabilities for linked investment contracts

	<b>31 March 2023 Fair value £m</b>	<b>30 September 2022 Fair value £m</b>
<b>ILInt</b>		
Unit linked liabilities	2,377.5	2,201.4
	<b>2,377.5</b>	<b>2,201.4</b>
<b>ILUK</b>		
Unit linked liabilities	21,482.1	19,973.0
	<b>21,482.1</b>	<b>19,973.0</b>
<b>Total</b>	<b>23,859.6</b>	<b>22,174.4</b>

### Analysis of change in liabilities for linked investment contracts

	<b>31 March 2023 £m</b>	<b>30 September 2022 £m</b>
<b>Opening balance</b>	<b>22,174.4</b>	<b>23,053.4</b>
Investment inflows	1,297.4	3,113.9
Investment outflows	(620.5)	(1,163.1)
Changes in fair value of underlying assets	1,026.6	(2,729.0)
Investment income	103.6	151.5
Other fees and charges - Transact	(30.4)	(59.7)
Other fees and charges – other third parties	(91.5)	(192.6)
<b>Closing balance</b>	<b>23,859.6</b>	<b>22,174.4</b>

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.

## 11. Cash and cash equivalents

	<b>31 March 2023 £m</b>	<b>30 September 2022 £m</b>
Bank balances – Instant access	174.9	173.5
Bank balances – Notice accounts	9.5	9.5
<b>Total</b>	<b>184.4</b>	<b>183.0</b>

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.

## 12. Cash held for the benefit of policyholders

	<b>31 March 2023 £m</b>	<b>30 September 2022 £m</b>
Cash and cash equivalents held for the benefit of the policyholders – instant access – ILUK	1,237.6	1,314.4
Cash and cash equivalents held for the benefit of the policyholders – instant access – ILINT	134.4	144.2
<b>Total</b>	<b>1,372.0</b>	<b>1,458.6</b>

The 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.

## 13. Trade and other receivables

	<b>31 March 2023 £m</b>	<b>30 September 2022 £m</b>
Other receivables	4.5	2.1
Less: credit loss allowance	(0.1)	(0.1)
<b>Total</b>	<b>4.4</b>	<b>2.0</b>

## 14. Trade and other payables

	<b>31 March 2023 £m</b>	<b>30 September 2022 £m</b>
Trade payables	2.6	1.6
PAYE and other taxation	2.4	2.2
Other payables	8.4	7.7
Accruals and deferred income	7.6	8.3
Deferred consideration	0.6	1.7
<b>Total</b>	<b>21.6</b>	<b>21.5</b>

## 15. Related parties

There were no material changes to the related party transactions during the period.

## 16. Principal risks and uncertainties

Within the Risk and Risk Management section of the 2022 Annual Report and Financial Statements is a comprehensive view of what the board considered to be the Principal Risks and Uncertainties that could undermine the successful achievement of the Group's strategic objectives and threaten its business model or future performance.

The executive and board continually review these principal risks and uncertainties and believe that their nature remains unchanged from those presented within the 2022 Annual Report and Financial Statements. The Group's principal revenue stream is asset value based, accounting for 86% of total revenue. Political and geopolitical instability, coupled with inflationary pressures have continued during HY23 and so challenging conditions prevail in the markets. This in turn impacts investor confidence and sentiment which has, as expected, muted investment flows to the platform. Nonetheless, flows, FUD and revenues remain within projection. The Group will continue to monitor and respond to any new developments which may impact the Group.



## **17. Events after the reporting date**

There are no events subsequent to the reporting period that require disclosure in, or amendment to the interim financial statements.

## **18. Dividends**

During the six month period to 31 March 2023 the Company paid an interim dividend of £23.2 million (7.0 pence per share) to shareholders in respect of financial year 2022. This was in addition to the first interim dividend of £10.5 million (3.2 pence per share) in respect of financial year 2022, which was paid in June 2022. The total of £33.7 million (10.2 pence per share) compares with a full year interim dividend of £33.1 million (10.0 pence per share) in respect of the full financial year 2021.

## **DIRECTORS, COMPANY DETAILS, ADVISERS**

### **Executive Directors**

Michael Howard  
Alexander Scott  
Jonathan Gunby

### **Non-Executive Directors**

Richard Cranfield  
Christopher Munro  
Rita Dhut  
Caroline Banszky  
Victoria Cochrane  
Robert Lister

### **Company Secretary**

Helen Wakeford

### **Independent Auditors**

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

### **Solicitors**

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### **Corporate Advisers**

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Barclays Bank PLC, 5 The North Colonnade, Canary Wharf, London, E14 4BB

### **Principal Bankers**

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### **Registrars**

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### **Registered Office**

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### **Investor Relations**

Luke Carrivick 020 7608 4900

### **Website**

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### **Company number**

8860879