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22 May 2024

IntegraFin Holdings plc

Half year results for the six months ended 31 March 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 half year results for the period ended 31 March 2024.

The Group continued to build on its strong financial and operational performance while maintaining its focus on positive consumer outcomes.

Group Highlights

- Record high closing funds under direction ('FUD') of £61.0bn on the Transact platform, as at 31 March, up 13% from HY23 (£54.0bn).
- Resilient net inflows of £1.1bn during HY24 (HY23: £1.6bn), representing 4.0% of opening FUD (annualised).
- Group revenue of £70.4m, 6% higher than HY23 (HY23: £66.5m) driven by higher average daily FUD. Average daily FUD for the period was £57.0bn, compared to £52.6bn in HY23.
- IFRS profit before tax up 16% to £32.4m (HY23: £27.9m). Underlying Group profit before tax up 14%, at £33.5m (HY23: £29.4m), after adjusting for non-underlying expenses of £1.1m (HY23: £1.5m).
- IFRS Group earnings per share of 7.4p, up 12% (HY23: 6.6p), and underlying Group earnings per share of 7.7p, up 8% (HY23: 7.1p).
- The Board has declared a first interim dividend in accordance with the Company's dividend policy. In respect of the six months to 31 March 2024, an interim dividend of 3.2 pence per share (HY23: 3.2pps) will be payable on 5 July 2024 to ordinary shareholders on the register on 7 June 2024. The ex-dividend date will be 6 June 2024.
- The Group is performing in-line with our expectations and our financial guidance for the full year ending 30 September 2024, issued at year end FY23, remains unchanged.

Operational Highlights

- Performance of the **Transact platform** remains solid, with continuing growth across our key metrics and resilient net inflows of £1.1bn during HY24.
 - We delivered a 4% increase in the Transact platform's adviser base to c.7.9k advisers (HY23: 7.6k) and a 1% increase in the number of clients using the Transact platform to c.232k (HY23: 228k).

- Continued improvements from our digitalisation programme, delivering operational efficiencies for Transact and an improved experience for our clients and advisers.
 - In HY24, we continued to deliver enhanced digital interfaces and straight-through processes on the Transact platform.
- Continued steady growth at **Time4Advice** with total chargeable users of over 3.0k, 20% higher than at HY23 (2.5k).

Commenting on the half year results, Alexander Scott, IHP Group Chief Executive Officer said:

“I am pleased to report that the Group has delivered resilient performance for the first half of the year with revenue up 6% and underlying profit before tax up 14%. Our people continue to diligently deliver a first-class service to our clients and their advisers through the Group’s leading technology proposition and deep, trusted relationships.

Transact continues to grow its client and adviser numbers, as well as deliver resilient net inflows over the period. The record levels of client and adviser numbers also present us with a solid pipeline for future flows.

We remain dedicated to ensuring positive consumer outcomes, underpinned by our platform digitalisation programme which enhances service and efficiency. Above all, we are focused on our goal of being the number one provider of investment platform software and services for clients and UK financial advisers.”

Financial information

IHP Group

	Half-year to 31 March 2024	Half-year to 31 March 2023	% Movement
Total Group revenue	£70.4m	£66.5m	+6%
IFRS profit before tax	£32.4m	£27.9m	+16%
Underlying profit before tax	£33.5m	£29.4m	+14%
IFRS earnings per share	7.4p	6.6p	+12%
Underlying earnings per share	7.7p	7.1p	+8%
First interim dividend per share	3.2p	3.2p	0%

Transact platform:

	Half-year to 31 March 2024	Half-year to 31 March 2023	% Movement
Net new business inflows	£1.1bn	£1.6bn	-31%
Closing funds under direction (‘FUD’)	£61.0bn	£54.0bn	+13%
Average daily FUD	£57.0bn	£52.6bn	+8%
Transact platform clients*	231,581	228,232	+1%
Transact platform registered advisers*	7,849	7,563	+4%

*As at 31 March

Time4Advice:

	As at 31 March 2024	As at 31 March 2023	% Movement
Total number of chargeable CURO software users*	3.0k	2.5k	+20%

Enquiries

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2024 Half year results presentation

IHP will be hosting a virtual analyst audio presentation at 09:30am on 22 May 2024. This will be available at https://brrmedia.news/IHP_HY_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/>.

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

Transact platform FUD showed strong growth during the period, reaching a record high of £61.0bn at the end of HY24. This was complemented by continued additions to the number of advisers and clients on the platform. Closing FUD at HY24 of £61.0 billion have grown 11% from year end, and 13% period on period (HY23: £54.0 billion).

The Transact platform continues to prove its attraction to advisers and clients within the current market environment. Gross inflows of £3.9 billion were 19% higher than HY23, although outflows were 72% higher in comparison to HY23. This resulted in net inflows of £1.1 billion (HY23: £1.6 billion), which were in line with H2 FY23 levels. This was a reflection of the ongoing challenging macro-economic conditions including ongoing higher interest rates and cost of living, which have driven elevated levels of off-platform withdrawals, in combination with an increasingly competitive adviser platform market.

	HY24 £m	HY23 £m	YE 2023 £m
Opening FUD	54,959	50,070	50,070
Inflows	3,925	3,294	6,406
Outflows	(2,867)	(1,669)	(3,753)
Net flows	1,058	1,625	2,653
Market movements	4,982	2,313	2,272
Other movements ¹	21	(35)	(36)
Closing FUD	61,020	53,973	54,959
Average daily FUD for the period	57,012	52,643	52,544
Transact platform clients	231,581	228,232	230,294
Transact platform registered advisers	7,849	7,563	7,685

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

Client numbers increased by 1% and registered advisers by 4%. Both metrics were impacted by a review and closure of portfolios with small residual balances. This ongoing exercise helps improve operational efficiency and has no material effect on our revenues or FUD levels on the platform.

Time for Advice (T4A)

The number of paying users of CURO has increased 20% period on period, to 3.0k with a 10% uplift in recurring licence fee income.

	HY24	HY23	YE 2023
Total number of chargeable CURO software users	3,026	2,493	2,752

Group financial performance

	HY24 Group £m	HY24 *Platform £m	HY23 Group £m	HY23 *Platform £m	YE 2023 Group £m
Revenue	70.4	68.0	66.5	64.1	134.9
Cost of sales	(1.6)	(0.9)	(2.3)	(1.8)	(3.9)
Gross profit	68.8	67.1	64.2	62.3	131.0
Operating expenses	(41.0)	(37.4)	(37.0)	(35.8)	(74.3)
Non-underlying expenses	(1.1)	-	(1.5)	-	(0.4)
Operating profit	26.7	29.7	25.7	26.5	56.3
Net interest income	5.1	4.4	2.2	1.9	6.3
Net gain attributable to policyholder returns	0.6	0.6	-	-	-
Profit before tax	32.4	34.7	27.9	28.4	62.6
Tax on ordinary activities	(8.0)	(7.5)	(5.9)	(5.5)	(12.7)
Profit after tax	24.4	27.2	22.0	22.9	49.9
Operating margin	38%	44%	39%	41%	42%
Earnings per share – basic and diluted	7.4p		6.6p		

* 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.

Underlying profit before tax and earnings per share

	HY24 Group £m	HY23 Group £m	YE 2023 Group £m
IFRS Profit before tax	32.4	27.9	62.6
Non-underlying expenses	1.1	1.5	0.4
Underlying profit before tax	33.5	29.4	63.0
Underlying earnings per share – basic and diluted	7.7p	7.1p	15.2p

Revenue

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

	HY24 £m	HY23 £m	YE 2023 £m
Platform revenue			
Recurring annual charges	61.0	57.1	116.1
Recurring wrapper charges	6.3	6.1	12.3
Other income	0.7	0.9	1.7
Total platform revenue	68.0	64.1	130.1
T4A revenue	2.4	2.4	4.8
Total revenue	70.4	66.5	134.9

Investment platform revenue

Platform revenue comprises three elements, two of which are recurring. The recurring revenue streams consist of annual charges (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 dealing charges and buy commission, though as noted below the latter has now been discontinued from our systems, with no client incurring a Transact buy commission charge from 1 March 2024.

Recurring revenue streams constituted 99% (HY23: 99%) of total platform revenue during HY24.

Annual charges, the largest platform revenue driver, increased by £3.9 million (7%) to £61.0 million in comparison to HY23. This was due to average daily FUD for the period increasing 8% period on period.

Wrapper charges increased by £0.2 million (3%) period on period, reflecting the increase in the number of open tax wrappers.

Other income fell compared to HY23 due to a reduction in buy commission from £0.5 million to £0.1 million. This was due to the reduction in client buy commission rebate threshold from £0.2 million to £0.1 million in March 2023, and the discontinuation of buy commission in March 2024.

The changes to pricing demonstrate our ongoing commitment to simplify the platform fee structure and deliver better value for money for clients.

T4A revenue

T4A's revenue was £2.4 million in the half year to March 2024, which is in line with that of HY23. Licence income increased, as the numbers of paying CURO users increased by 20% period on period. A fall in consultancy income offset the licence income increase.

Interest income

The main component of the Group's net assets is cash, with holdings of £192.4 million (31 March 2023: £184.4 million). The yield on these balances increased in comparison to HY23 due to the higher interest rate environment and has led to an increase in interest income to £5.1 million (HY23: £2.2 million) in HY24. Net interest income also includes the yield from short-dated government bonds.

Operating expenses

	HY24 £m	HY23 £m	YE 2023 £m
Employee costs	28.9	26.5	53.9
Occupancy	2.4	1.2	2.8
Regulatory and professional fees	5.0	5.0	9.8
Non-underlying expenses	1.1	1.5	0.4
Net gain attributable to policyholder returns	-	(0.5)	(1.6)
Other costs	4.1	3.4	6.8
Total expenses	41.5	37.1	72.1
Depreciation and amortisation	0.6	1.4	2.5
Expected credit losses on financial assets	-	-	0.1
Total operating expenses	42.1	38.5	74.7

Total operating expenses increased by £3.6million (9%) in HY24 in comparison to HY23.

Of note:

Employee costs

Employee costs have increased by £2.4 million (9%) to £28.9 million in HY24.

The uplift is due to pay rises awarded to employees and a 9% increase in the average Group headcount over the period, from 616 in HY23 to 672 in HY24.

The above increase in staff costs remains in line with guidance given to the market and includes the recruitment of 12 IT resources during the half year, as we continue to implement plans

announced in FY22 to significantly increase system development capacity across the Group and drive future efficiencies.

Regulatory and professional fees

Regulatory fees and professional fees have remained in line with the HY23. Professional fees of £3.3 million are up £0.5 million (19%), but this is offset by regulatory fees of £1.7 million, which are down £0.5 million (19%).

Other costs

Other costs have increased by £0.7 million (21%) in comparison to HY23. The main driver of this is VAT, which increased by £0.4 million, in line with the uplift in professional fees and also increases in the intragroup software development and maintenance services provided by our wholly owned Australian subsidiary, Integrated Application Development Pty Ltd (IAD). VAT is currently recognised and paid on these services as a result of HMRC having terminated IAD's membership of our UK VAT group in January 2020. We continue to dispute the grounds for this termination and have served HMRC with a notice of appeal.

Non-underlying expenses

This relates to the post combination deferred consideration payable to the original T4A shareholders in respect of the T4A acquisition.

Group profit

Group profit before tax increased by £4.5 million (16%) to £32.4 million period on period. This was driven by increased revenue of £3.9 million, as the value of FUD and the number of wrappers increased, as well as a £2.9 million (132%) increase in net interest income, as the Group works to optimise yields earned on corporate cash and investments in this higher interest environment. These factors were offset by higher operating expenses, as guided, due to the continuing investment in our people and the general impact of inflation.

Operating margin is at 38% (HY23: 39%), which is robust for the sector. 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 £190.8 million at HY24 (FY23: £189.9 million) and cash and cash equivalents of £192.4 million (FY23: £177.9 million).

The Group's operations are highly cash generative, with profits emerging as cash and 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 2024, the Company paid a second interim dividend of £23.2 million to shareholders in respect of financial year 2023. This was in addition to the first interim dividend of £10.6 million, which was paid in June 2023.

In respect of the six months to 31 March 2024 (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 3.2 pence per ordinary share, or £10.6 million (2023: 3.2 pence per ordinary share). This will be payable on 5 July 2024 to ordinary shareholders on the register on 7 June 2024, the ex-dividend date will be 6 June 2024. This is in line with the interim dividend paid for the same period in the prior year.

Directors' responsibilities 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
21 May 2024

INDEPENDENT REVIEW REPORT TO INTEGRAFIN HOLDINGS PLC

Conclusion

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 2024 which comprises the Interim Condensed Consolidated Statement of Comprehensive Income, the Interim Condensed Consolidated Statement of Financial Position, the Interim Condensed Consolidated Statement of Cash Flows, the Interim Condensed Consolidated Statement of Changes in Equity and the related notes 1 to 19. 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.

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 2024 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE) issued by the Financial Reporting Council. 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.

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

Conclusions Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE, however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of 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.

In preparing the half-yearly financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to

going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. 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.

Ernst & Young LLP

London

Date: 21 May 2024

Interim Condensed Consolidated Statement of Comprehensive Income

	Note	Six months to 31 March 2024 Unaudited £m	Six months to 31 March 2023 Unaudited £m
Revenue	3	70.4	66.5
Cost of sales		(1.6)	(2.3)
Gross profit		68.8	64.2
Expenses			
Administrative expenses		(42.1)	(38.5)
Operating profit		26.7	25.7
Interest income		5.1	2.2
Net policyholder returns			
Net gain attributable to policyholder returns		29.9	12.9
Change in investment contract liabilities		(2,305.9)	(1,038.7)
Fee and commission expenses		(104.6)	(91.5)
Policyholder investment returns		2,410.5	1,130.2
Net policyholder returns		29.9	12.9
Profit on ordinary activities before taxation attributable to policyholders and shareholders		61.7	40.8
Policyholder tax charge		(29.3)	(12.9)
Profit on ordinary activities before taxation attributable to shareholders		32.4	27.9
Total tax attributable to shareholder and policyholder returns		(37.3)	(18.8)
Less: tax attributable to policyholder returns		29.3	12.9
Shareholder tax on profit on ordinary activities		(8.0)	(5.9)
Profit for the period		24.4	22.0
Other comprehensive loss			
Exchange loss arising on translation of foreign operations		-	(0.1)
Total other comprehensive loss for the period		-	(0.1)
Total comprehensive income for the period		24.4	21.9
Earnings per share			
Ordinary shares – basic and diluted	4	7.4p	6.6p

All activities of the Group are classed as continuing.

Notes 1 to 19 form part of these Financial Statements.

Interim Condensed Consolidated Statement of Financial Position

	Note	31 March 2024 Unaudited £m	30 September 2023 Audited £m
Non-current assets			
Loans receivable		6.7	6.3
Intangible assets	7	21.2	21.4
Property, plant and equipment		1.5	1.1
Right of use assets		3.4	1.0
Deferred tax asset	6	0.8	0.7
		33.6	30.5
Current assets			
Investments		22.7	22.4
Prepayments and accrued income		18.5	17.2
Trade and other receivables	13	12.7	3.6
Current tax asset		-	14.3
Cash and cash equivalents	11	192.4	177.9
		246.3	235.4
Current liabilities			
Trade and other payables	14	17.7	19.5
Current tax liability		0.5	-
Provisions	8	7.6	7.7
Lease liabilities		2.2	0.3
		28.0	27.5
Non-current liabilities			
Provisions	8	30.2	40.5
Lease liabilities		1.1	0.8
Deferred tax liabilities	6	29.8	7.2
		61.1	48.5
Policyholder assets and liabilities			
Cash held for the benefit of policyholders	12	1,520.2	1,419.2
Investments held for the benefit of policyholders	9	25,785.5	23,021.7
Liabilities for linked investment contracts	10	(27,305.7)	(24,440.9)
		-	-
Net assets		190.8	189.9
Capital and reserves			
Called up equity share capital		3.3	3.3
Share-based payment reserve		3.3	3.4
Employee Benefit Trust reserve		(2.8)	(2.6)
Foreign exchange reserve		(0.1)	(0.1)
Non-distributable reserves		5.7	5.7
Retained earnings		181.4	180.2
Total equity		190.8	189.9

These interim condensed consolidated financial statements were approved by the Board of Directors on 21 May 2024 and are signed on their behalf by:

A handwritten signature in black ink that reads "Euan Marshall". The signature is written in a cursive, slightly slanted style.

Euan Marshall, Director

Company Registration Number: 08860879

Notes 1 to 19 form part of these Financial Statements.

Interim Condensed Consolidated Statement of Cash Flows

	Six months to 31 March 2024 Unaudited £m	Six months to 31 March 2023 Unaudited £m
Cash flows from operating activities		
Profit on ordinary activities before taxation attributable to policyholders and shareholders	61.7	40.8
Adjustments for non-cash movements:		
Amortisation and depreciation	0.7	1.4
Share-based payment charge	1.2	1.1
Increase in contingent consideration	-	0.5
Decrease in provisions	(10.4)	(10.1)
Adjustments for cash affecting investing and financing activities:		
Interest on cash and loans	(5.1)	(2.2)
Adjustments for statement of financial position movements:		
Increase in trade and other receivables, and prepayments and accrued income	(10.4)	(2.4)
(Decrease)/increase in trade and other payables	(1.8)	0.2
Adjustments for policyholder balances:		
Increase in investments held for the benefit of policyholders	(2,763.8)	(1,771.8)
Increase in liabilities for linked investment contracts	2,864.8	1,685.2
(Decrease)/increase in policyholder tax recoverable	(3.8)	23.2
Cash generated from/(used in) operations	133.1	(34.1)
Income tax benefit/(paid)	3.8	(27.9)
Net cash flows from/(used in) operating activities	136.9	(62.0)
Investing activities		
Acquisition of property, plant and equipment	(0.7)	(0.2)
(Increase)/decrease in loans	(0.4)	0.2
Interest on cash and loans	4.8	2.2
Net cash flows from investing activities	3.7	2.2
Financing activities		
Purchase of own shares in Employee Benefit Trust	(0.3)	(0.2)
Purchase of shares for share scheme awards	(1.2)	(0.8)
Equity dividends paid	(23.2)	(23.2)
Payment of principal portion of lease liabilities	(0.4)	(1.2)
Net cash flows used in financing activities	(25.1)	(25.4)
Net increase/(decrease) in cash and cash equivalents	115.5	(85.2)
Cash and cash equivalents at beginning of period	1,597.1	1,641.6
Cash and cash equivalents at end of period	1,712.6	1,556.4

Cash and cash equivalents consist of:

Cash and cash equivalents	192.4	184.4
Cash held for the benefit of policyholders	1,520.2	1,372.0
Cash and cash equivalents	1,712.6	1,556.4

Notes 1 to 19 form part of these Financial Statements.

Interim Condensed Consolidated Statement of Changes in Equity

	Called up equity share capital £m	Non-distributable insurance and foreign exchange reserves £m	Share-based payment reserve £m	Employee Benefit Trust 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	-	-	-	-	22.0	22.0
Movement in currency translation	-	(0.1)	-	-	-	(0.1)
Total comprehensive income for the year	-	(0.1)	-	-	22.0	21.9
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
Distributions to owners -						
Dividends paid	-	-	-	-	(23.2)	(23.2)
Balance at 31 March 2023 (unaudited)	3.3	5.7	2.8	(2.6)	162.8	172.0
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	-	-	-	-	24.4	24.4
Total comprehensive income for the year	-	-	-	-	24.4	24.4
Share-based payment expense	-	-	1.2	-	-	1.2
Settlement of share-based payment	-	-	(1.3)	-	-	(1.3)
Purchase of own shares in EBT	-	-	-	(0.3)	-	(0.3)
Exercised share options	-	-	-	0.1	-	0.1
Distributions to owners -						
Dividends paid	-	-	-	-	(23.2)	(23.2)
Balance at 31 March 2024 (unaudited)	3.3	5.6	3.3	(2.8)	181.4	190.8

Notes 1 to 19 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 2023, which were prepared in accordance with UK-adopted International Accounting Standards (IASs).

The financial information contained in these interim condensed consolidated 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 11-12.

The comparative financial information for the year ended 30 September 2023 in this interim report constitute statutory accounts for that year.

The statutory accounts for 30 September 2023 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 condensed consolidated financial statements should be read in conjunction with the Annual Report and Accounts for the year ended 30 September 2023. 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 2023.

Going Concern

The interim condensed consolidated 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 next 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 has sufficient financial resources at all times for the foreseeable future.
 - As at 31 March 2024, the Group had £192.4 million of shareholder cash on the condensed consolidated statement of financial position, demonstrating that liquidity remains strong.
- Detailed cash flow and working capital projections; and
- Stress-testing of liquidity, profitability and regulatory capital, taking account of possible adverse changes in trading performance and operational risks.

When making this assessment, the board has taken into consideration both the Group's current performance and the future outlook, including 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 period, 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, and persistent high inflation with continued market uncertainty.

Having conducted detailed cash flow and working capital projections, and stress-tested liquidity, profitability and regulatory capital; taking account of the economic challenges mentioned above; the board is satisfied that the Group is well placed to manage its business risks. The board is also satisfied that it will be able to operate within the regulatory capital limits imposed by the Financial Conduct Authority (FCA), Prudential Regulation Authority (PRA), and Isle Man Financial Services Authority (IoM FSA).

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

Changes in accounting policies

- i) There have been no new standards, amendments to standards or interpretations adopted during the financial year that had a material effect.
- ii) Future standards, amendments to standards, and interpretations not yet effective are noted below.

The following amendments are effective for periods beginning on or after 1 January 2023:

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

In February 2021, the IASB issued amendments to IAS 1 to assist in determining which accounting policies to disclose, with reference to materiality and how to determine which policies fall into this category. IFRS Practice Statement 2 includes guidance to support this.

The Group has assessed the impact of this amendment and does not note any significant impact on the Group's interim condensed consolidated financial statements.

Definition of Accounting Estimates (Amendments to IAS 8)

In February 2021, the IASB issued amendments to IAS 8 to clarify how to distinguish changes in accounting policies from changes in accounting estimates. That distinction being that changes in accounting estimates are applied prospectively to future transactions and events, but changes in accounting policies are applied retrospectively to past transactions and events.

The Group has assessed the impact of this amendment and does not note any significant impact on the Group's interim condensed consolidated financial statements.

Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

In May 2021, the IASB issued amendments to IAS 12 which will require recognition of deferred taxes on particular transactions which, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

The Group has assessed the impact of this amendment and does not note any significant impact on the Group's interim condensed consolidated financial statements.

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

Amendments to IAS 12: International Tax Reform Pillar Two Model Rules

Amendments to IAS 12 Income Taxes have been introduced in response to the OECD's BEPS Pillar Two Model Rules. The amendments include a temporary mandatory exception from accounting for deferred taxes arising from the Pillar Two model rules and a requirement to disclose that the exception has been applied immediately and retrospectively. IHP has taken up this exemption for FY23.

The Group is continuing to assess whether it will be in scope of the Pillar Two model Rules. If so, the rules would be expected to apply to the Group from 1 October 2024 and give rise to a financial impact. However, the Group does not anticipate that any tax liabilities that may arise from its overseas operations will be material to the Group, as most of its revenue and profits are generated in the UK and taxed at a rate of 25%.

The following amendments are effective for periods beginning on or after 1 January 2024:

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

In October 2022, the IASB issued amendments to IAS 1 regarding how conditions with which an entity must comply within twelve months after the reporting period, affect the classification of a liability.

The Group has assessed the impact of this amendment and does not note any significant impact on the Group's interim condensed consolidated financial statements.

No other future standards, amendments to standards, or interpretations are expected to have a material effect on the Group's interim condensed consolidated financial statements.

2. 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
- Cash and cash equivalents

(ii) Financial instruments measured at fair value

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 condensed consolidated statement of comprehensive income. The following tables show the carrying values of assets and liabilities for each of these categories for the Group:

Financial assets:	Fair value through profit or loss		Amortised cost	
	31 March 2024	30 September 2023	31 March 2024	30 September 2023
	£m	£m	£m	£m
Cash and cash equivalents	-	-	192.4	177.9
Cash held for the benefit of policyholders	-	-	1,520.2	1,419.2
Investments - Listed shares and securities	0.1	0.1	-	-
Investments - Gilts	-	-	22.7	22.3
Loans receivable	-	-	6.7	6.3
Accrued income	-	-	13.8	12.5
Trade and other receivables	-	-	12.5	3.2
Investments held for the policyholders	25,785.5	23,021.7	-	-
Total financial assets	25,785.6	23,021.8	1,768.3	1,641.4
			31 March 2024	30 September 2023
Assets which are not financial instruments			£m	£m
Prepayments			4.7	4.7
Current tax asset			-	14.3
Trade and other receivables – repayment interest due from HMRC			0.2	0.4
			4.9	19.4

Financial liabilities:	Fair value through profit or loss		Amortised cost	
	31 March 2024	30 September 2023	31 March 2024	30 September 2023
	£m	£m	£m	£m
Trade payables	-	-	2.2	0.7
Lease liabilities	-	-	3.3	1.1
Other payables	-	-	3.8	5.9
Liabilities for linked investments contracts	25,785.5	23,021.7	1,520.3	1,419.2
Total financial liabilities	25,785.5	23,021.7	1,529.6	1,426.9
			31 March 2024	30 September 2023
Liabilities which are not financial instruments			£m	£m
Accruals and deferred income			6.6	7.8
Current tax liability			0.5	-
PAYE and other taxation			3.6	2.6
Other payables – due to HMRC			1.0	0.9
Deferred consideration			0.5	1.6
			12.2	12.9

(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, leases, trade and other receivables, trade and other payables, and liabilities for linked investments contracts. Due to their short-term nature and/or expected credit losses recognised, the carrying value of these financial instruments approximates their fair value.

(iv) Financial instruments measured at fair value – fair value hierarchy

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical instruments;
- Level 2: instruments which are not actively traded but provide regular observable prices; and
- Level 3: inputs that are based on level 1 or level 2 data, but for which the last known price is over a year old (unobservable inputs).

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

At 31 March 2024

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Assets				
Term deposits	248.8	-	-	248.8
Investments and securities	815.0	210.7	0.6	1,026.3
Bonds and other fixed-income securities	21.6	0.8	-	22.4
Holdings in collective investment schemes	24,366.0	121.0	1.0	24,488.0
Investments and assets held for the benefit of policyholders	25,451.4	332.5	1.6	25,785.5
Investments - Listed shares and securities	0.1	-	-	0.1
Total	25,451.5	332.5	1.6	25,785.6

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Liabilities				
Liabilities for linked investment contracts	25,451.4	332.5	1.6	25,785.5
Total	25,451.4	332.5	1.6	25,785.5

At 30 September 2023

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Assets				
Term deposits	182.0	-	-	182.0
Investments and securities	740.3	181.9	0.5	922.7
Bonds and other fixed-income securities	16.5	1.0	-	17.5
Holdings in collective investment schemes	21,754.5	143.3	1.7	21,899.5
Investments held for the benefit of the policyholders	22,693.3	326.2	2.2	23,021.7
Investments – listed shares and securities	0.1	-	-	0.1
Total	22,693.4	326.2	2.2	23,021.8

	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Liabilities				
Liabilities for linked investment 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.

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 31 March 2024, 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 period under review.

Transfers between Levels

The Group's policy is to assess each financial instrument it holds at the period 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, whether a market is now active or not.

Transfers between Levels 1 and 2 between 30 September 2023 and 31 March 2024 are presented in the table below at their valuation at 31 March 2024:

Transfers from	Transfers to	£m
Level 1	Level 2	22.3
Level 2	Level 1	33.3

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

	2024	2023
	£m	£m
Opening balance as at 1 October 2023/2022	2.1	1.9
Unrealised gains or losses for the period ended 31 March 2024	-	-
Transfers in to Level 3 at 31 March 2024 valuation	0.4	0.2
Transfers out of Level 3 at 31 March 2024 valuation	(0.9)	(1.0)
Purchases, sales, issues and settlement	-	1.0
Closing balance as at 31 March 2024/2023	1.6	2.1

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
Integratin Financial Arrangements Ltd (IFAL)	Investment Firm Prudential regime (IFPR)
ILUK	Solvency II
ILInt	Isle of Man risk based capital regime

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

	IFAL		ILUK		ILInt	
	31	30	31	30	31	30
	March	September	March	September	March	September
	2024	2023	2024	2023	2024	2023
	£m	£m	£m	£m	£m	£m
Capital resource	47.8	44.4	350.4	269.2	46.4	46.6
Capital requirement	52.6*	33.3	224.9	215.8	27.3	27.1
Coverage ratio	91%*	133%	156%	125%	170%	172%

*As a result of 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 as at 31 March 2024. The capital deficit was remediated in April 2024, within the timeframes required by the FCA.

The Group's policy for managing capital is to ensure each regulated entity maintains capital well above the minimum regulatory requirement plus any additional capital requirement imposed by the regulator as a result of its supervisory review and evaluation processes.

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 condensed consolidated comprehensive income – segmental information for the six months ended 31 March 2024:

	Investment administration services £m	Insurance and life assurance business £m	Adviser back- office technology £m	Other Group entities £m	Consolidation adjustments £m	Total £m
Revenue						
Annual commission income	32.9	28.1	-	-	-	61.0
Wrapper fee income	1.5	4.8	-	-	-	6.3
Adviser back-office technology	-	-	2.4	-	-	2.4
Other income	0.5	0.2	-	40.9	(40.9)	0.7
Total revenue	34.9	33.1	2.4	40.9	(40.9)	70.4
Cost of sales	(0.3)	(0.6)	(0.4)	(0.3)	-	(1.6)
Gross profit/(loss)	34.6	32.5	2.0	40.6	(40.9)	68.8
Administrative expenses	(21.5)	(15.9)	(2.7)	(42.6)	40.6	(42.1)
Operating profit/(loss)	13.1	16.6	(0.7)	(2.0)	(0.3)	26.7
Interest expense	-	-	-	(0.3)	0.3	-
Interest income	1.2	3.2	-	1.0	(0.3)	5.1
Net policyholder returns						
Net income/(loss) attributable to policyholder returns	-	29.9	-	-	-	29.9
Change in investment contract liabilities	-	(2,305.9)	-	-	-	(2,305.9)
Fee and commission expenses	-	(104.6)	-	-	-	(104.6)
Policyholder investment returns	-	2,410.5	-	-	-	2,410.5
Net policyholder returns	-	29.9	-	-	-	29.9
Profit/(loss) on ordinary activities before taxation attributable to policyholders and shareholders	14.3	49.7	(0.7)	(1.3)	(0.3)	61.7
Policyholder tax charge	-	(29.3)	-	-	-	(29.3)
Profit/(loss) on ordinary activities before taxation attributable to shareholders	14.3	20.4	(0.7)	(1.3)	(0.3)	32.4
Total tax (charge) / benefit attributable to shareholder and policyholder returns	(2.9)	(33.9)	0.2	(0.8)	0.1	(37.3)
Less: tax attributable to policyholder returns	-	29.3	-	-	-	29.3
Shareholder tax (charge)/benefit on profit on ordinary activities	(2.9)	(4.6)	0.2	(0.8)	0.1	(8.0)
Profit/(loss) for the period	11.4	15.8	(0.5)	(2.1)	(0.2)	24.4

Statement of condensed consolidated 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
Revenue						
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
Total revenue	33.2	30.9	2.4	36.9	(36.9)	66.5
Cost of sales	(1.6)	(0.3)	(0.3)	(0.1)	-	(2.3)
Gross profit/(loss)	31.6	30.6	2.1	36.8	(36.9)	64.2
Administrative expenses	(21.0)	(14.9)	(2.9)	(36.4)	36.7	(38.5)
Operating profit/(loss)	10.6	15.7	(0.8)	0.4	(0.2)	25.7
Interest expense	-	-	-	(0.3)	0.3	-
Interest income	0.4	1.5	-	0.6	(0.3)	2.2
Net policyholder returns						
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
Net policyholder returns	-	12.9	-	-	-	12.9
Profit/(loss) on ordinary activities before taxation attributable to policyholders and shareholders	11.0	30.1	(0.8)	0.7	(0.2)	40.8
Policyholder tax credit/(charge)	-	(12.9)	-	-	-	(12.9)
Profit on ordinary activities before taxation attributable to shareholders	11.0	17.2	(0.8)	0.7	(0.2)	27.9
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
Shareholder tax on profit on ordinary activities	(2.3)	(3.1)	0.2	(0.7)	-	(5.9)
Profit/(loss) for the period	8.7	14.1	(0.6)	-	(0.2)	22.0

Statement of financial position – segmental information as at 31 March 2024:

	Investment administration services £m	Insurance and life assurance business £m	Adviser back-office technology £m	Total £m
Assets				
Non-current assets	11.6	20.7	1.3	33.6
Current assets	78.4	165.6	2.3	246.3
Total assets	90.0	186.3	3.6	279.9
Liabilities				
Current liabilities	9.8	17.0	1.2	28.0
Non-current liabilities	0.9	59.8	0.4	61.1
Total liabilities	10.7	76.8	1.6	89.1
Policyholder assets and liabilities				
Cash held for the benefit of policyholders	-	1,520.2	-	1,520.2
Investments held for the benefit of policyholders	-	25,785.5	-	25,785.5
Liabilities for linked investment contracts	-	(27,305.7)	-	(27,305.7)
Total policyholder assets and liabilities	-	0.0	-	0.0
Net assets	79.3	109.5	2.0	190.8
Non-current asset additions	0.4	0.3	-	0.7

Statement of financial position – segmental information as at 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 policyholders	-	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	-	0.6

Segmental information: Split by geographical location

Revenue	Six months to 31 March 2024 £m	Six months to 31 March 2023 £m
United Kingdom	67.4	63.8
Isle of Man	3.0	2.7
Total	70.4	66.5

Non-current assets	31 March 2024 £m	30 September 2023 £m
United Kingdom	26.0	23.4
Isle of Man	0.1	0.1
Total	26.1	23.5

4. Earnings per share

	Six months to 31 March 2024	Six months to 31 March 2023
Profit		
Profit for the year and earnings used in basic and diluted earnings per share	£24.4m	£22.0m
Weighted average number of shares		
Weighted average number of Ordinary shares	331.3m	331.3m
Weighted average numbers of Ordinary Shares held by Employee Benefit Trust	(0.6m)	(0.5m)
Weighted average number of Ordinary Shares for the purposes of basic EPS	330.7m	330.8m
Adjustment for dilutive share option awards	0.6m	0.5m
Weighted average number of Ordinary Shares for the purposes of diluted EPS	331.3	331.3
Earnings per share		
Basic earnings per share	7.4p	6.6p
Diluted earnings per share	7.4p	6.6p

5. Tax on profit on ordinary activities

The UK estimated weighted average effective tax rate was 25% for the six-month period ended 31 March 2024 (31 March 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.

Amendments to IAS 12: International Tax Reform Pillar Two Model Rules

Amendments to IAS 12 Income Taxes have been introduced in response to the OECD's BEPS Pillar Two Model Rules. The amendments include a temporary mandatory exception from accounting for deferred taxes arising from the Pillar Two model rules and a requirement to disclose that the exception has been applied immediately and retrospectively. The Group has taken up this exemption for FY24.

The Group is continuing to assess whether it will be in scope of the Pillar Two model Rules. If so, the rules would be expected to apply to the Group from 1 October 2024 and give rise to a financial impact. However, the Group does not anticipate that any tax liabilities that may arise from its overseas operations will be material to the Group, as most of its revenue and profits are generated in the UK and taxed at a rate of 25%.

6. Deferred tax

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 25% (2023: 25%).

Deferred Tax Asset

Deferred Tax Asset	Accelerated capital allowances	Share based payments	Policyholder unrealised losses/ (unrealised) gains	Policyholder excess management expenses and deferred acquisition costs	Policyholder unrealised losses on investment trusts	Other deductible temporary differences	Total
	£m	£m	£m	£m	£m	£m	£m
At 01 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 against deferred tax liability	-	-	-	(2.5)	(0.6)	(0.1)	(3.2)
At 30 September 2023	0.1	0.5	-	-	-	0.1	0.7
Charge to income	-	0.1	-	(1.3)	(0.5)	-	(1.7)
Offset against deferred tax liability	-	-	-	1.3	0.5	-	1.8
As at 31 March 2024	0.1	0.6	-	-	-	0.1	0.8

Deferred Tax Liability

Deferred Tax Liability	Accelerated capital allowances	Share based payments	Policyholder tax on unrealised gains	Other taxable differences	Total
	£m	£m	£m	£m	£m
At 01 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	0.2	-	20.6	-	20.8
Offset against deferred tax asset	-	-	1.8	-	1.8
As at 31 March 2024	0.2	-	28.9	0.7	29.8

7. Intangible assets

	Software and IP rights	Goodwill	Customer relationships	Software	Brand	Total
Cost	£m	£m	£m	£m	£m	£m
At 1 October 2023	12.5	18.3	2.1	2.0	0.3	35.2
At 31 March 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 period	-	-	0.1	0.1	-	0.2
At 31 March 2024	12.5	-	0.5	0.9	0.1	14.0
Net Book Value						
At 1 October 2023	-	18.3	1.7	1.2	0.2	21.4
At 31 March 2024	-	18.3	1.6	1.1	0.2	21.2
Cost						
At 1 October 2022	12.5	18.3	2.1	2.0	0.3	35.2
At 31 March 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 period	-	-	0.1	0.1	-	0.3
At 31 March 2023	12.5	-	0.4	0.6	0.1	13.7
Net Book Value						
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

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

8. Provisions

	31 March 2024	30 September 2023
	£m	£m
Balance brought forward	48.2	56.8
Decrease in ILUK policyholder reserves	(10.3)	(9.7)
(Decrease)/increase in other provisions	(0.1)	1.1
Balance carried forward	37.8	48.2
Amounts falling due within one year	7.6	7.7
Amounts falling due after one year	30.2	40.5
Dilapidations provisions	0.2	0.2
ILUK policyholder reserves	36.6	46.9
Other provisions	1.0	1.1
	37.8	48.2

ILUK policyholder reserves 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

	31 March 2024 Cost £m	31 March 2024 Fair value £m	30 September 2023 Cost £m	30 September 2023 Fair value £m
ILInt				
Investments held for the benefit of policyholders	2,295.9	2,645.5	2,155.5	2,310.3
	2,295.9	2,645.5	2,155.5	2,310.3
ILUK				
Investments held for the benefit of policyholders	19,810.9	23,140.0	19,249.9	20,711.4
	19,810.9	23,140.0	19,249.9	20,711.4
Total	22,106.8	25,785.5	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.

10. Liabilities for linked investment contracts

	31 March 2024 Fair value £m	30 September 2023 Fair value £m
ILInt		
Unit linked liabilities	2,819.7	2,481.5
	2,819.7	2,481.5
ILUK		
Unit linked liabilities	24,486.0	21,959.4
	24,486.0	21,959.4
Total	27,305.7	24,440.9

Analysis of change in liabilities for linked investment contracts

	Six months to 31 March 2024 £m	Year to 30 September 2023 £m	Six months to 31 March 2023 £m
Opening balance	24,440.9	22,174.4	22,174.4
Investment inflows	1,733.8	2,670.3	1,297.4
Investment outflows	(1,144.0)	(1,400.5)	(620.5)
Changes in fair value of underlying assets	2,277.3	1,024.1	1,026.6
Investment income	133.3	225.1	103.6
Other fees and charges - Transact	(31.0)	(59.2)	(30.4)
Other fees and charges - other third parties	(104.6)	(193.3)	(91.5)
Closing balance	27,305.7	24,440.9	23,859.6

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

	31 March 2024	30 September 2023
	£m	£m
Bank balances – Instant access	180.4	165.9
Bank balances – Notice accounts	12.0	12.0
Total	192.4	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.

12. Cash held for the benefit of policyholders

	31 March 2024	30 September 2023
	£m	£m
Cash and cash equivalents held for the benefit of the policyholders – instant access - ILUK	1,346.0	1,248.0
Cash and cash equivalents held for the benefit of the policyholders – instant access - ILINT	174.2	171.2
Total	1,520.2	1,419.2

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

	31 March 2024	30 September 2023
	£m	£m
Other receivables	2.8	3.2
Less: expected credit losses	(0.1)	(0.1)
Other receivables net	2.7	3.1
Repayment interest due from HMRC	0.2	0.4
Amount due from policyholders to meet current tax liability	9.8	-
Total	12.7	3.6

14. Trade and other payables

	31 March 2024	30 September 2023
	£m	£m
Trade payables	2.2	0.7
PAYE and other taxation	3.6	2.6
Other payables	4.8	6.8
Accruals and deferred income	6.6	7.8
Deferred consideration	0.5	1.6
Total	17.7	19.5

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 2023 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, threaten its business model or future performance or that might present significant operational disruption.

The executive and board regularly review these principal risks and uncertainties and believe that their nature remains unchanged from those presented within the 2023 Annual Report and Financial Statements. The Group's principal revenue stream is asset value based, accounting for 87% of total revenue. Political and geopolitical instability have continued to increase over HY24 with forthcoming elections, ongoing conflict in Eastern Europe combined with the escalation of tensions in the Middle East. Inflationary pressures in the UK have continued to ease with markets reacting positively. However, the wider macro-environment remains challenging with ongoing higher interest rates and the higher cost of living driving elevated off-platform withdrawals. These withdrawals, in combination with an increasingly competitive platform market and with adviser consolidation, resulted in muted net inflows to the platform. Nonetheless, FUD and revenues remain within projection. The Group will continue to monitor and respond to any new developments which may impact the Group.

17. Contingent liability

There are some assets in ILUK policyholder linked funds which are under review. The internal assessment has been sub-divided into 5 groups. A provision totalling £0.2 million has been recorded in respect of one of the groups where the likelihood of an economic outflow is probable and a contingent liability of £1.4 million has been disclosed in respect of another group where the likelihood of an economic outflow is not probable, but more than remote. No provision or contingent liability has been recognised in respect of the other groups as the likelihood of an economic outflow is considered to be remote.

18. Events after the reporting date

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

19. Dividends

During the six month period to 31 March 2024 the Company paid an interim dividend of £23.2 million (7.0 pence per share) to shareholders in respect of financial year 2023. This was in addition to the first interim dividend of £10.6 million (3.2 pence per share) in respect of financial year 2023, which was paid in June 2023. The total of £33.7 million (10.2 pence per share) compares with a full year interim dividend of £33.7 million (10.2 pence per share) in respect of the full financial year 2022.

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Alexander Scott
Jonathan Gunby
Euan Marshall

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Rita Dhut
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Robert Lister

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Helen Wakeford

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