Fintel plc

Annual report and accounts 2021

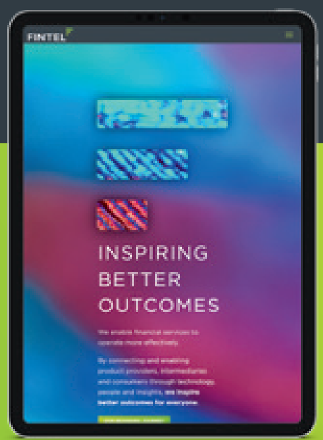
Inspiring Better Outcomes

FINTEL

INSPIRING BETTER OUTCOMES

Inspiring better outcomes

Operating at the heart of the market, we're the **connecting force** within retail financial services. By simplifying and improving the complex financial services world, **we inspire better outcomes** for everyone.



→ Visit our website to find out more:
www.wearefintel.com

Highlights

Operational highlights

- Growth in SaaS and subscription revenue across all operating divisions
- Strategic partnership to deploy proprietary advice technology for up to 2,500 additional users through Tatton Asset Management
- Increasing revenue quality including successful scaling of distribution as a service ("DaaS")
- Solid EBITDA margin delivered during a year of investment in digital growth and strategic divestment
- Significant strategic progress with successful sale of non-core Zest Technology and disposal of Verbatim funds
- Development of comprehensive ESG strategy

Financial highlights

- Positive net cash of £2.6m (FY20: net debt of £19.4m)
- Strong balance sheet with £45m revolving credit facility

Revenue (£m)

£63.9m **+5%**

Adjusted EBITDA* (£m)

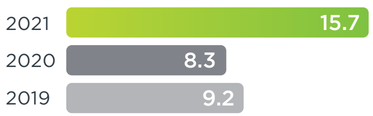
£18.3m **+6%**

Adjusted EPS* (p)

10.5p** **-7%**

Basic EPS (p)

15.7p **+89%**



Alternative performance measures

* Adjusted EBITDA and adjusted EPS are alternative performance measures for which a reconciliation to a GAAP measure is provided in note 8 on page 74 and note 13 on page 77 respectively. More information on our key performance measures can be found on page 19.

** The reduction against the prior year is as a direct result of the one-off impact of the change in UK Corporation Tax rates from 19% to 25%. Excluding this one-off impact, the EPS would have been 12 pence per share on a like-for-like basis.

Contents

Strategic report

- **IFC** Highlights
- **1** Our strategic framework
- **2** At a glance
- **4** Investment case
- **5** Chair's statement
- **7** Joint Chief Executive Officers' statement
- **11** Q&A
- **13** Markets
- **14** Business model
- **15** Stakeholder engagement
- **17** Our strategy
- **19** KPIs
- **20** Digitisation
- **21** ESG
- **28** Financial review
- **31** Risk management report
- **34** Viability statement

Corporate governance

- **35** Board of Directors and Company Secretary
- **37** Corporate governance report
- **41** ESG and Wellbeing Committee report
- **43** Audit Committee report
- **45** Nomination Committee report
- **47** Remuneration report
- **51** Directors' report
- **52** Statement of Directors' responsibilities

Financial statements

- **53** Independent auditor's report
- **59** Consolidated statement of profit or loss and other comprehensive income
- **60** Consolidated statement of financial position
- **60** Company statement of financial position
- **61** Consolidated statement of changes in equity
- **62** Company statement of changes in equity
- **62** Consolidated statement of cash flows
- **63** Notes
- **92** Notice of annual general meeting
- **100** Company information

Our strategic framework

Our purpose

To inspire better outcomes within retail financial services

Our mission

To simplify and improve UK retail financial services by acting in the best interests of the market

Our values

Knowledge
Influence
Excellence

Customer outcomes

Product providers

Design better products and distribute more effectively

Intermediaries

Serve more clients more effectively

Consumers

Make better personal financial decisions

Joint CEOs' statement on page 7

Enabling services

- Distribution as a service model
- Data and insight services
- Fintech workflow technology
- Expert regulatory support
- Expert ratings
- Product comparison

Our business model on page 14

Key drivers

Increase usage of distribution as a service model

Develop data services

Increase usage of Fintech

Develop regulatory technology

Develop dynamic ratings model

Our markets on page 13

Underpinned by our ESG pillars

- Better business
- Better industry
- Better future

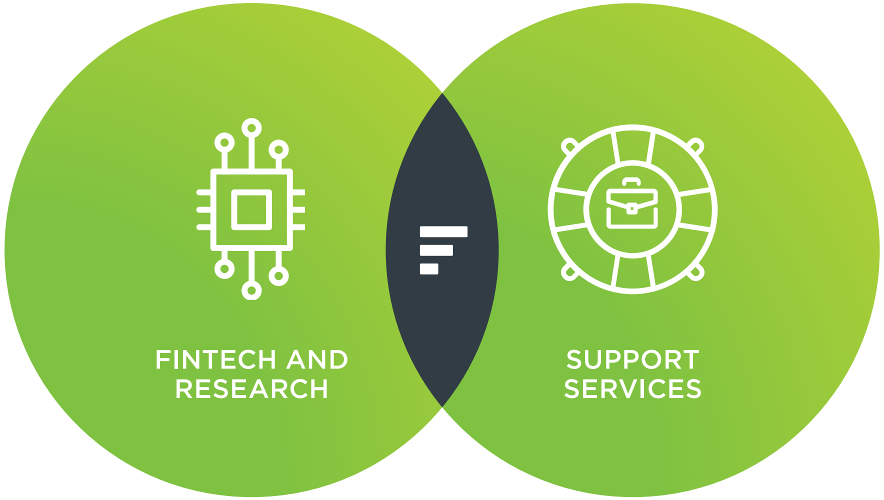
Our approach to ESG on page 21

At a glance

Simplifying and connecting financial services

→ Visit our website to find out more on how we support retail financial services: www.wearefintel.com/h/inspiring-better-outcomes/

Our leading brands



defaqto

SimplyBiz

A unique market position

We exist to improve outcomes in retail financial services. We do this by acting in the best interests of the market, connecting and enabling product providers, intermediaries and consumers, bringing them together through people, insights and technology.

→ View our business model on page 14

Connecting the market

As a connecting force, we help the market meet the evolving needs of today's consumer. By supporting product development with consumer behaviour insights and expert analysis, we help providers to build better products, and connect them with intermediaries. Our proprietary research and ratings services improve choice, experience and outcomes for consumers, helping them to make better informed decisions.

→ View our markets on page 13

Enabling the market

We empower product providers, intermediaries and consumers by giving them the tools, knowledge and insights to make better informed financial decisions.

By continuously developing our services, our technology and our team, we deliver the solutions the market needs to evolve.

→ View our strategy on pages 17 and 18

At a glance continued

Inspiring Better Outcomes

Knowledge

We take the challenges our customers face and transform them into effective, relevant solutions which benefit everyone.

19%

of all new IFA, mortgage and consumer credit firm regulatory applications were advised by experts from Fintel

Influence

We use our intelligence, awareness and experience to connect our clients with consumers and shape a better financial future.

>£40bn

of investment recommendations were made through Fintel's proprietary advice technology

Reach

Combining the largest provider of intermediary business support with the industry-leading financial information, ratings and Fintech business, we serve a diverse customer base with an extensive product platform to inspire better outcomes for all.

>10,000

financial intermediaries use Fintel's services and/or technology

Investment case

Targeting growth through digitisation, growing revenue, margin and quality earnings

Empowering the market through knowledge, insights and technology, our digital service platform connects and enables retail financial services.

Combining the scale and reach of a large, repeat customer base with a capital light, agile model, Fintel continues to generate high quality earnings, driving further shareholder value through organic growth, rapid digitisation and the transition to long-term, recurring revenues.

Scalable digital service platform

>10,000

financial intermediaries use Fintel's services and/or technology

>3,500

Client Firms use Fintel's proprietary advice technology

Unrivalled market position

75%

prompted consumer awareness of Defaqto brand

34%

of directly authorised retail investment and mortgage firms are SimplyBiz members

Diversified, repeat customer base

6 years 5 months

average intermediary member tenure

>80%

of product providers are repeat clients

Financial agility

- Acquisition of Defaqto in 2019
- Sale of Zest Technology in 2021
- Disposal of Verbatim funds in 2021
- Strong balance sheet with access to a £45m revolving credit facility of which £38m remains undrawn

Cash-generative business model

116%

underlying operating cash flow conversion*

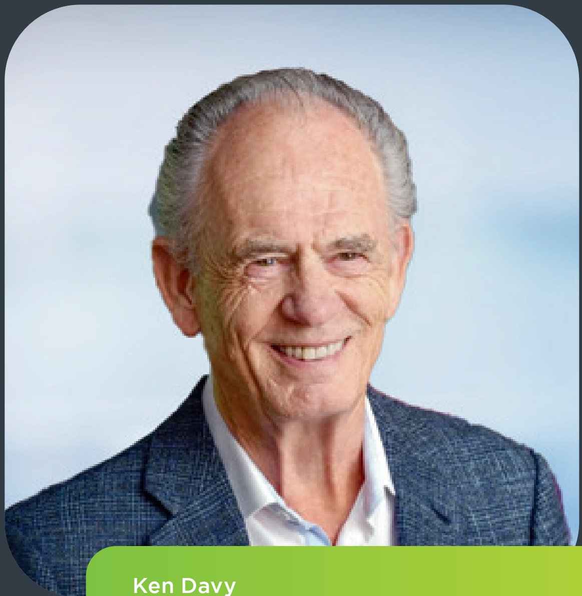
* Underlying operating cash flow conversion is calculated as underlying cash flow from operations (adjusted operating profit, adjusted for changes in working capital, depreciation, amortisation, CAPEX and share based payments) as a percentage of adjusted operating profit.

Quality, recurring earnings

66%

SaaS and subscription recurring revenue in core business

Chair's statement



Ken Davy
Non-Executive Chair

"The commitment of our people has been outstanding, and I am proud of how we have supported each other to provide further service enhancements for our customers and deliver another highly successful year for the Company."

Inspiring better outcomes across retail financial services

I am delighted to present our annual report and accounts as Chair of Fintel – a Fintech and support services company acting at the very heart of retail financial services with scale, breadth and dynamism. Our house of quality brands combines the largest provider of support services to financial intermediaries with the UK's leading Fintech, research and ratings business. Harnessing our market-leading knowledge, influence and ability to simplify complexity, we inspire better outcomes across the sector.

Year in review

Despite the ongoing disruption of the COVID-19 pandemic, 2021 has been another strong year for Fintel, building on the robust performance of 2020. First and foremost, I would like to thank all of our people for the commitment and resilience that they have shown over the last year.

It has been a year of substantial strategic progress. We completed the successful sale of the non-core Zest Technology business and the disposal of Verbatim funds, which also included the creation of a strategic partnership to deploy proprietary advice technology for up to 2,500 additional users.

In addition, SaaS and subscription revenue continued to grow within the core business and significant progress has been made in the Distribution Channels division with 14 of our distribution partners converted to multi-year subscription agreements via the launch of distribution as a service ("DaaS") which seeks to further extend and embed our distribution services to our partner clients.

Further progress has been made to enhance and develop our core compliance offering to the firms we serve through the deployment of new software modules, the expansion of our Horizon programme that supports advisers looking to grow through acquisition, and continued investment in our product suite.

We have developed a comprehensive ESG strategy, following a wide-ranging and all-inclusive materiality assessment with key stakeholder groups. As part of this we have established a new Board Committee, chaired by Imogen Joss – the ESG and Wellbeing Committee – which provides enhanced oversight and governance of these key areas of our business. In Defaqto we have also expanded our ESG research platform to cover various

Our culture

The Board recognises the importance culture has on the performance, ethics and sustainability of our Company. The Board is committed to ensuring a robust culture, underpinned by our values, which is then seen, felt and displayed by everyone in our organisation.

We believe in building a safe and engaging environment for everyone to thrive in by promoting diversity, individuality, learning and development. These are the fundamental tenets of the "thriving workforce" focus area of our ESG strategy which was developed during 2021.

→ Read more about our ESG strategy and commitments on pages 21 to 27

Chair's statement continued

Year in review continued

retail investment funds and our digital ESG client profiler has been deployed to over 8,000 wealth managers and financial advisers.

This progress has facilitated the investment into our digitisation programme and led to the Company ending the year in a net positive cash position through a combination of our resilient cash conversion and the proceeds from the strategic divestments.

The commitment of our people has been outstanding, and I am proud of how we have supported each other to provide further service enhancements for our customers and deliver another highly successful year for the Company.

Financial performance and dividend

Our results for the year to 31 December 2021 clearly demonstrate the underlying financial strength of our business. We have seen revenue growth slightly ahead of expectations, strong cash conversion and enhanced quality of earnings, all underpinned by a strengthened balance sheet and cash position.

This strong performance enabled us to enhance our dividend policy, which resulted in an interim dividend of 1.0 pence per Ordinary Share which was paid in November 2021. We have proposed a final dividend of 2 pence per share payable on 7 June 2022, resulting in a full year dividend of 3 pence per share.

Progress against our strategy

We have a robust strategic framework which provides a clear strategic vision for the Company, designed to ensure that the business can grow whilst balancing delivery of long-term value for all our stakeholders. I am pleased to report that progress against our strategy has continued at pace over the year.

→ You can read more about our strategic priorities and progress on pages 17 to 18

Environmental, social and governance ("ESG") commitments

Sustainability is embedded within our culture, principles and values. Together with our products and services, it underpins our ability to create long-term value for our stakeholders and achieve our vision of being at the heart of the retail financial services sector.

→ You can read more about our ESG strategy and commitments on pages 21 to 27

Board changes

At the annual general meeting ("AGM") 2021, I stepped down as Chair, in line with our planned succession strategy, and was succeeded by Gary Hughes, whilst I assumed the role of Deputy Chair. In September 2021, Gary stepped down from the Board for personal reasons and I reassumed the role of Chair. On behalf of the Board, I would like to thank Gary for his service and wish him all the best for the future. The Board is now actively recruiting for a replacement Non-Executive Director and updating succession plans with a view of me reverting back into the role of Deputy Chair in due course.

January 2021 also saw Imogen Joss join us as Non-Executive Director and in June 2021 Imogen succeeded Gary Hughes as the Chair of the Remuneration Committee. Imogen has already made a significant contribution to the Company and is a highly valued addition to the Board. In September 2021, Imogen became our Senior Independent Non-Executive Director and Chair of the Nomination Committee.

Finally, in April 2021, Gareth Hague, Finance Director, was succeeded by David Thompson, Chief Financial Officer. David has an excellent track record and has quickly established himself on the Board, providing robust and thoughtful stewardship of the Company's finance and control systems.

Section 172 and stakeholder engagement

Effective stakeholder engagement is key to our success, helping the Board and management make better decisions. The Board recognises its responsibility to understand and consider stakeholder views as part of its decision-making process and remains committed to fostering effective business relationships.

→ Fintel's approach to stakeholder engagement is set out in more detail on pages 15 to 16 and our section 172 statement is set out on page 15

Fintel has due regard to principal risks and accounting judgements which are disclosed in the financial statements on pages 70 to 71.

External factors

COVID-19

The Company performed strongly in 2020 despite the challenges of the pandemic, and this resilience provided a strong platform for further growth in 2021. Whilst lockdown restrictions continued longer than we had previously expected, impacting our ability to run face-to-face events, this was offset by earlier than expected improvements in the mortgage and surveying businesses. It is pleasing to see restrictions are now being relaxed and a sense of normality is returning to the sector and day-to-day life, although the Board continues to take a prudent view on the ongoing risks of further variants.

Brexit and macro-economic considerations

As expected, Fintel has experienced minimal impact following the UK's withdrawal from the EU and has noted negligible service or supply disruption because of this. The Board does, however, note the increasing inflationary pressure in the UK and evolving tax regime and continues to monitor these closely. Our membership model remains competitively priced and excellent value for the firms we serve and as part of our standard pricing model we have annual price escalations built in, which protect the Company from inflationary pressure.

Geopolitical environment

World events, particularly the Russia-Ukraine conflict, create further uncertainty and we need to remain alert as these impacts become clearer. Like many, I am deeply saddened by the conflict and all our thoughts are with everyone affected as we hope for peace to prevail as soon as possible.

Annual general meeting

After two years of closed meetings, we are delighted to confirm we are holding the Company's AGM at Fintel House, St Andrew's Road, Huddersfield HD1 6NA on 17 May 2022 at 12.30 p.m. I look forward to meeting shareholders in person once more.

→ Full details can be found in the Notice of AGM on pages 92 to 99

Outlook

Looking to the future I remain proud and privileged to chair Fintel, a company driven by a powerful purpose to inspire better outcomes for all. The COVID-19 crisis, the evolving macro-economic environment and their implications for our business and the wider industry will of course continue to be closely monitored. However, we remain confident that Fintel is built on strong foundations, with a clear strategy for growth, and I am confident that our future is a bright one.

I would like to express my gratitude to the executive management team, our employees and my Board colleagues for their hard work, commitment and dedication to the Company and to the service and support of our key stakeholders. I look forward with optimism and confidence to the next chapter of our journey together.

Ken Davy
Non-Executive Chair
21 March 2022

Joint Chief Executive Officers' statement

Neil Stevens
Joint Chief Executive Officer

Matt Timmins
Joint Chief Executive Officer

"We have continued to accelerate our digital strategy, grown our core client base and delivered exciting new services which will further improve our quality of earnings, margins and cash generation in the future."

We think bigger to deliver excellence

We have delivered strong results during a year of significant strategic progress and continued robust financial performance. We are a stronger organisation with a strengthened purpose through our commitment to ESG. Total revenue growth has been delivered ahead of prior expectations as non-core surveying bounced back in 2021, up £2.9m to £63.9m (FY20: £61.0m), adjusted EBITDA* increased by 5.8% (FY21: £18.3m; FY20: £17.3m) and adjusted EBITDA margin has also increased to 28.6% (FY20: 28.4%).

Strategic delivery

The Fintel strategic plan drives three key medium-term performance objectives for our business:

- core** revenue growth between 5% and 7% annually;
- core EBITDA margin target of between 35% and 40%; and
- core earnings quality (percentage of SaaS and subscription income) between 70% and 80%.

Alternative performance measures

* Adjusted EBITDA and adjusted EPS are alternative performance measures for which a reconciliation to a GAAP measure is provided in note 8 on page 74 and note 13 on page 77 respectively.

** Core business excludes revenues from panel management, surveying and employee benefits software.

Our pillars

The value we add

SIMPLIFY COMPLEXITY

We understand the complicated nature of the financial world and help everyone create clear paths towards better outcomes.

THINK BIGGER

We constantly explore new ideas with the interests of our clients and their customers at heart. Focusing through their lens inspires our thinking.

FUTURE FOCUSED

We think ahead, rise to new challenges and break down future barriers to success. Our intuition helps clients maximise opportunities.

Joint Chief Executive Officers' statement continued

Strategic delivery continued

Revenue growth

Total revenue increased by 5% during the year (FY21: £63.9m; FY20: £61.0m). Adjusting for the impact of the two disposals in 2021, total revenue grew by 9%, accelerated by our non-core panel management and surveying business recovering from the downturn caused by COVID-19 restrictions in 2020.

We have set out our medium-term objective for core business revenue growth at 5-7% annually during the period 2021 to 2024. Continued digitisation of our core business brought us to the starting point for this objective in 2021, delivering 5% core business revenue growth (FY21: £52.2m; FY20: £49.8m).

EBITDA Margin

Fintel's adjusted EBITDA margin grew to 28.6% (FY20: 28.4%) during 2021.

Our core business delivered adjusted EBITDA margin of 32.7% (FY20: 31.0%), making strong progress towards our 35–40% medium-term margin objective. Margin was slightly increased year on year due to continued growth in software licence sales.

Earnings quality

Fintel SaaS and subscription revenues accounted for 56.3% of total revenue, however, when adjusted for the impact of the disposals, this increases to 64.2%, highlighting the strategic alignment of the transactions.

Significant progress has been made in improving our quality of earnings in our core business. SaaS and subscription revenue, as a proportion of core revenue increased to 65.7% (FY20: 60.8%), in line with our medium-term objective of reaching 70-80%.

Our growing SaaS and subscription revenues have been driven by improvements in software sales in our Intermediary Services division. Distribution Channels division transitioned 14 customers from annual rolling marketing services agreements to multi-year subscription agreements via the launch of distribution as a service ("DaaS"). This service has now been taken up by a total of 20 partners. The strategic disposal of Verbatim led to the creation of a new strategic partnership to deploy proprietary advice technology for up to 2,500 additional users through Tatton Asset Management, further strengthening our SaaS and subscription revenues.

Growth opportunity

The UK's retail financial services market is an open, independent and competitive market that delivers choice and value to consumers. It is also complex, with thousands of products to choose from, delivered by hundreds of providers, through thousands of intermediaries. At Fintel, our role is to connect and enable the market simplifying complexity and delivering better outcomes.

We believe our unique proprietary financial data and market insights are key to improving outcomes in retail financial services. Using our information and insights on product features, selection processes and buyer behaviour, product providers are able to build better products, advisers make better recommendations and consumers make better informed decisions. We are uniquely positioned to provide robust, real-time and insightful data on key areas of the industry and we see substantial opportunity to further expand our data services.

In addition, in an increasingly digital world, most individuals who interact with the industry want to do so in a frictionless way, supported by software services that reduce complexity. We have considerable experience of software delivery to the retail financial services market, including through internal development and deployment. In 2021 we deployed our new beta DaaS product provider platform and additional modules on our intermediary platform, CENTRA. We will continue to invest in this area to ensure we continue to meet the demands for products and help the industry evolve to its greatest potential.

→ Find our more about our markets and how we serve them on page 13

Our strengthened balance sheet and positive cash position mean we are well positioned to make strategic investments both in terms of internal developments and through strategically aligned acquisitions. Our focus in the year ahead will see further investments made into Fintel's customer relationship management platforms ("CRM") to support our data and digitisation objectives, a new enterprise resource planning system ("ERP") to drive optimal performance and operational impact, and further digitisation and development of our client facing services and systems.

Joint Chief Executive Officers' statement continued

Growth opportunity continued

Externally we maintain an active acquisition pipeline of target businesses. With a proven ability to attract and integrate businesses through a robust acquisition approach, we are well placed to welcome further businesses to Fintel.

Value generation

Our recurring revenues, combined with the efficiency of our business, ensure we can sustainably create and maintain the financial, technology and skills capacity to advance our objectives. Reinvestment in our people and our digital platforms is key and we remain focused on advancing in areas where we have a proven capability and long-standing relationships with our customers. Adjusted EPS performance remained in line with expectations at 10.5 pence per share (FY20: 11.3 pence per share). The reduction against the prior year is as a direct result of the one-off impact of the change in UK Corporation Tax rates from 19% to 25%. Excluding this one-off impact, the adjusted EPS would have been 12 pence per share on a like-for-like basis.

Strategic priorities

Our immediate priorities are to leverage our unique end-to-end platform, to extend our data services and to efficiently deploy capital to make strategic and value accretive investments. Organic growth is expected to be driven by positive market dynamics, driving further increases in average revenue per customer, further conversions to our DaaS model and increased digitisation of our core services. These activities are also key to deliver our medium-term objectives to further improve our margin and underlying quality of earnings. This will be achieved whilst also delivering core operational developments to our CRM and ERP systems.

In addition, the strength of our balance sheet and net positive cash position, mean we will continue to actively seek out strategic acquisitions to deliver further value to our shareholders.

Ensuring better outcomes

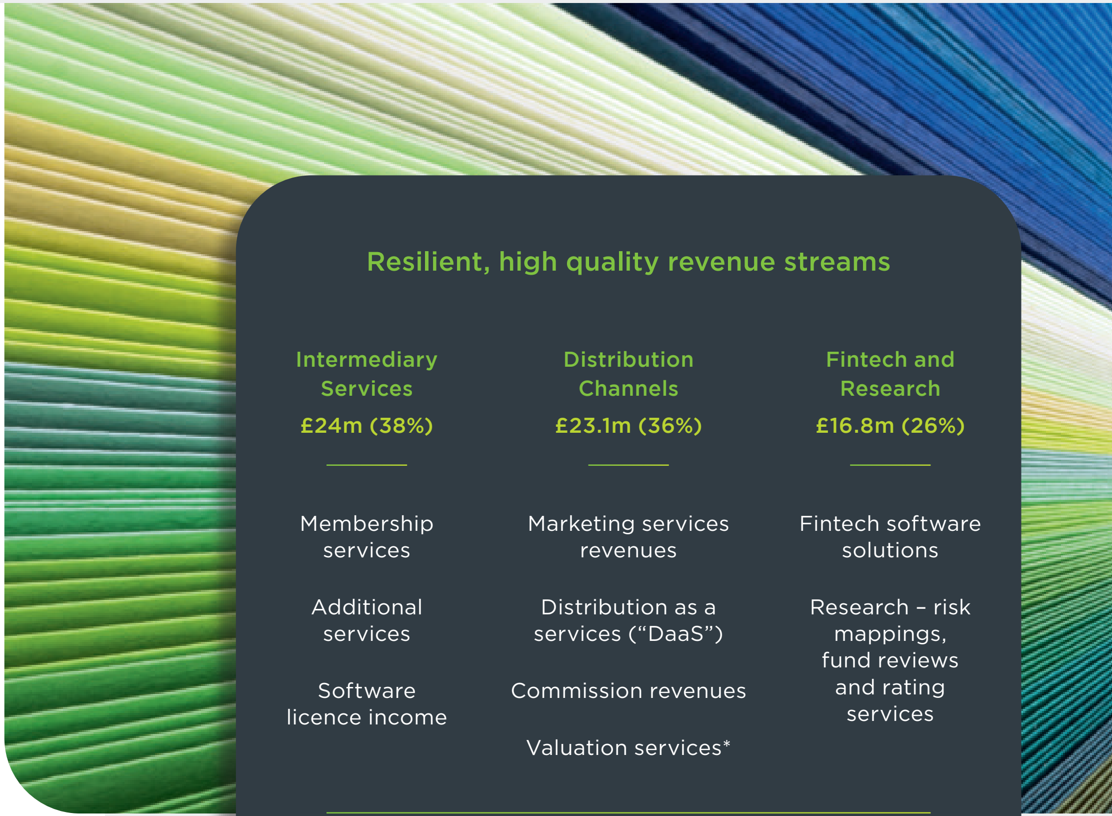
In 2021 we pioneered the development of a comprehensive ESG strategy, following a wide-ranging and all-inclusive materiality assessment with key stakeholder groups. We have put in place a robust governance structure including our newly established ESG and Wellbeing Committee, which monitors the delivery of our ESG and Wellbeing action plan. Our central position in the market has enabled us to be a significant force in bringing ESG information to professional advisers and their clients.

→ You can read more about the commitments in our ESG strategy on pages 21 to 27

Our people

We have invested during the year to ensure we have the right systems and support in place, enabling our people to deliver their best. We introduced our Peakon engagement tool which routinely assesses our performance in the areas our people care about the most, launched new flexible and family friendly working policies and further strengthened our wellbeing programme. 2022 is set to deliver further investment in our people as we launch our flexible benefit initiatives, develop our employee ownership strategy and further strengthen our engagement activities.

We have enjoyed the contributions of our new Board colleagues Imogen Joss and David Thompson during the year and the new skills and experience they bring. We would also like to recognise the contributions made by Gary Hughes during his time as Chair.



Resilient, high quality revenue streams

Intermediary Services £24m (38%)	Distribution Channels £23.1m (36%)	Fintech and Research £16.8m (26%)
Membership services	Marketing services revenues	Fintech software solutions
Additional services	Distribution as a services ("DaaS")	Research – risk mappings, fund reviews and rating services
Software licence income	Commission revenues	
	Valuation services*	

→ See note 2 on pages 63 to 70 for more details on our revenue streams

* Non-core revenue stream.

Strategy in action

Fintel and Tatton strategic partnership

Comprising Fintech, distribution and fund management, our strategic alliance with Tatton Asset Management spans our service platform, integrating an enterprise version of our market-leading proprietary advice technology Defaqto Engage, our distribution as a service ("DaaS") solution and Strategic Asset Allocation service into Tatton's distribution platform.

Highlights

- £13m Fintech, distribution and fund management deal
- Fintel to provide advice technology to Tatton for up to 2,500 additional users
- Largest Fintech contract: c.£1.4m p.a. for 5 years

Joint Chief Executive Officers’ statement continued

Outlook

2022 has started positively. Trading has been strong and in line with the Board’s expectations. We continue to make rapid progress on our strategic delivery and are confident that the Company is in a strong position for further growth.

World events including macro-economic pressures and geo-political concerns will continue to drive market volatility. With operations in the UK only, we are not directly impacted by the Russia-Ukraine conflict, but are monitoring ongoing economic developments closely. We remain dedicated to supporting our clients and partners in these difficult times and hope for a swift return to peace.

Our high quality recurring revenues and strengthened balance sheet mean that we are well positioned to create and maintain the financial, technology and skills capacity to deliver the tools, connectivity and insights our markets need, even more so in these uncertain times.

We are, as always, enormously grateful for the support from all our teams, our Board, and our customers. We firmly believe that our robust and resilient platform, unique market position and our insights and expertise will give us the opportunity to build an even greater business, that has a positive impact on society and provides long-term value to all our stakeholders.

Matt Timmins and Neil Stevens
Joint Chief Executive Officers
21 March 2022

Our values

The shared values that define our approach and our people.

KNOWLEDGE

We take the challenges our customers face and transform them into effective, relevant solutions which benefit everyone.

INFLUENCE

We use our intelligence, awareness and experience to connect our clients with their customers and shape a better financial future.

EXCELLENCE

We demand more of ourselves than our clients and ensure that our people and technology solutions are always the best available.

>10,000
financial intermediaries use Fintel’s services and/or technology

>3,500
Client Firms use Fintel’s proprietary advice technology

>£40bn
of investment recommendations were made through Fintel’s proprietary advice technology

>2,700
on-site and remote engagements for compliance and business services

>20,000
product ratings

>340
hybrid events

>£22bn
mortgage lending was arranged through our intermediary members

>18,000
funds available in Fintel’s proprietary advice technology

Q&A

Neil Stevens
Joint Chief Executive Officer

Matt Timmins
Joint Chief Executive Officer

David Thompson
Chief Financial Officer

> "We have a strong platform that we will continue to build on, and I'm confident of another impactful year."
>
> **David Thompson**
> CFO

Q Can you briefly sum up 2021 from your own perspective?

Neil

2021 was a year of real strategic progress. We streamlined the business through our strategic divestments, we evolved our service and product platform, and we forged new industry partnerships. As a result we have an even sharper vision for the future of Fintel.

It's also been a year when we had to adapt, to find new ways to do our jobs, work together, serve our clients and improve retail financial services, and I'm really proud of the way the business and everyone in it has responded.

Matt

Absolutely – it's now one year since we rebranded the business to Fintel and we've remained true to our values throughout. We've continued to digitise and innovate, thinking bigger and developing products and services that simplify a complex market, and we've remained future focused, embedding our purpose through our ESG journey.

David

It's been a transformative year that will build a platform for growth to meet our future ambitions.

To have ended 2021 with a net positive cash position and strengthened balance sheet after a year of continued disruption, continued investment in digital and strategic disposals is a testament to our business and everyone in it. We have delivered against our plans and our strategy, and now have the foundations we need to grow organically and strategically.

Q David you joined recently as CFO. What attracted you to the business?

Initially I was interested in the market position Fintel holds as an enabler in the broader retail financial services space. I could see an opportunity for growth and digitisation and was excited by Fintel's reach and depth of knowledge. Having scaled a business that also operated at the heart of its sector, Smart Metering Systems, there were clear synergies in Fintel's vision and journey, and I was convinced of the value I could add in joining the management team.

When I met the team I was struck by the passion and culture of the business. Fintel has a unique culture that inspires a real drive for innovation in a supportive and team spirited way that really appealed.

Q&A continued

What do you see as the main growth opportunity?

Matt

From both an organic and strategic perspective, it is the continued role of data and insights at every touchpoint that will drive the greatest long-term growth for Fintel.

Over the short to medium term we see huge opportunity in the wealth manager market and enterprise Fintech deals.

Neil

I completely agree with Matt, and it is the connectivity of our product platform and the network effect of the business model that gives us this unique insight capability.

In addition, organic growth of our intermediary base and software licensing will drive more insights, more distribution partners, better designed products and as a result a stronger offering for intermediaries, and better outcomes for their customers.

You recently rebranded to Fintel. What are the highlights of Fintel one year on?

Matt

One year on I am proud to see us bringing the brand to life. Building on this solid foundation we will leverage our brand and industry reach to support broader industry collaboration. Through the development of our ESG strategy we are now clearer in articulating and embedding our values and purpose as a brand and we will continue to develop this, improving outcomes for both the industry and our stakeholders.

Investing in our people with the development of our "thriving workforce" focus area and benefits platform was also strongly enabled by our updated brand values and purpose.

How would you describe the culture at Fintel in three words?

Matt

- Shared purpose
- Supportive
- Future-focused

Neil

- Collaborative
- Innovative
- Performance-based

David

- Passionate
- Unique
- Grounded

How do you see the next 12–24 months panning out?

Neil

As well as profound concern over the humanitarian impact of current world events, we are mindful of the geo-political and macro-economic effect this is having on world markets. As a Company we exist to enable better outcomes in retail financial services, be it supporting intermediaries to serve increasing numbers of vulnerable clients, or developing new insight services that allow the industry to react and iterate more quickly. This is ever more important in times of economic vulnerability and instability. We take this responsibility seriously and will do everything in our power to support our members and partners in serving their clients in these challenging times.

Matt

Despite the market conditions of the last 24 months, the business has shown real resilience, demonstrated by the levels of cash conversion and increasing earnings quality. We have agreed a strategic investment programme which will see us further scale our data services and unique end-to-end platform, and I am excited by the opportunity ahead as we develop new services for the industry and embed our unique market position.

David

As Matt says, we have a resilient model, with strong recurring revenues and cash-conversion and are confident in our outlook despite the challenges and risks Neil refers to.

With a strengthened balance sheet we will ensure we efficiently deploy capital to make strategic and value accretive investments, as well as the internal investments Matt mentioned earlier. We have a strong platform that we will continue to build on, and I'm confident of another impactful year.

Markets

A high quality business in a high quality market

The market supports continued customer growth and success, creating opportunities for Fintel to provide the services its customers need as they develop and grow.

Product providers

Provider margin pressures

- Lower margin caused by increased competition amongst product providers
- Ongoing profitability pressures due to the need to reduce cost to end consumer
- Pressure to better understand the needs and wants of the end consumer

Our response

- Growth of distribution as a service ("DaaS") helping product providers to improve the design, suitability and distribution of their products
- Expansion of DaaS proposition allowing us to provide richer analytics and broader consultative services to our provider partners

Future opportunities

- Further expansion of DaaS model through integration with full product cycle and emerging ESG market, supporting product design and governance with regulatory expertise, expert analysis and ESG specifications
- Development of data and insights to help product providers design, iterate and distribute targeted products more effectively

Intermediaries

Changes in the IFA advisory market

- Increased market consolidation and growth in private equity backed, vertically integrated firms
- Selective consolidation of the IFA market
- Hiatus of regulatory implementation in 2020 carried over to 2021
- Ongoing profitability pressures including increased professional indemnity insurance costs
- Increased focus on ESG in retail financial services

Our response

- Expansion of Horizon proposition for sellers and buyers of advisory firms
- Further development of a strategic discretionary fund management proposition and client base
- Deployment of ESG client profiler, fund filters and fund reviews
- Development of an enterprise service and technology proposition for consolidators

Future opportunities

- Provision of increased technology and services platform to consolidators
- Support of retail financial services market in meeting evolving customer needs through product and process innovation
- Enablement of ESG factors in the financial planning and product development processes
- Expansion of Fintech services platform and regulatory technology

Consumers

Changing face of advice requirements and financial services markets

- Increasing complexities with retirement income
- Pension freedoms continue to be a key driver of change in the sector
- Increased sophistication of advice requirements
- Home ownership has continued to slow for most age groups

Our response

- Deployment of retirement income Fintech module
- Further development of adviser platform to support more efficient fund selection and investment choice
- Continued delivery of Defaqto star ratings, helping consumers to make better informed financial decisions

Future opportunities

- Strengthening our market position, using our expertise and reach to improve financial confidence and decision making amongst consumers
- Development of dynamic Defaqto ratings allowing consumers to make better informed decisions through real time, personalised product selection

Business model

Creating better outcomes: empowering the market

Read more about our strategy on pages 17 to 18

Read more about our stakeholder engagement on pages 15 to 16

Our resources and relationships

Proprietary data, insights and analysis

- Supporting over £40bn of investment recommendations through Fintel's proprietary advice technology
- Largest database of financial products in the UK including research and analysis of more than 4.5m product features

Technology and IP

- Fintech and regulatory technology platform
- Proprietary ratings and research methodologies

Industry knowledge and expertise

- Supporting 19% of all new IFA, mortgage and consumer credit firm regulatory applications
- Over 140 in-house product and regulatory experts

Partnerships and relationships

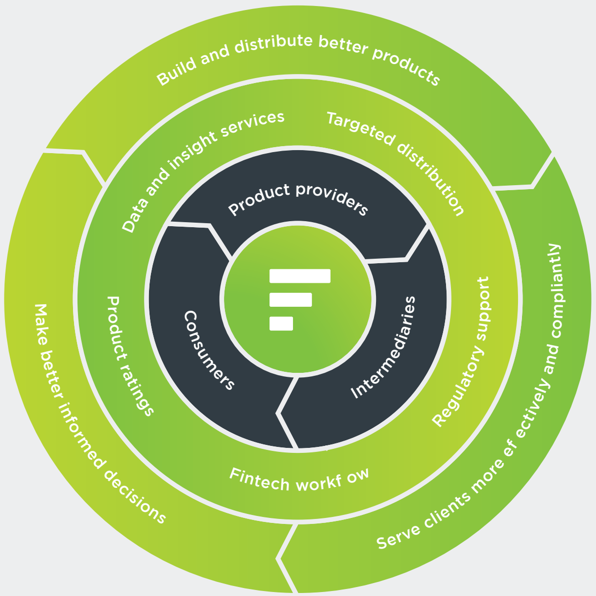
- Partnering with more than 400 industry-leading brands
- Reaching over 10,000 financial intermediaries

How we do business

Inspiring Better Outcomes

Operating in a large, complex retail financial services market, with a unique market position, we connect product providers, intermediaries and consumers.

Empowering the market through knowledge, insights and technology, our digital service platform connects and enables all parties, driving improved outcomes for all via a continuous network effect.



Value creation

Employees

- A collaborative working environment with 80% staff engagement and platform to grow, learn and progress

Product providers

- Ability to design better products and distribute them more effectively

Intermediaries

- Ability to serve more clients, more effectively, with suitable and compliant advice

Consumers

- Rating financial products to help consumers make better informed personal financial decisions

Shareholders

- 3 pence per share FY21 dividend

Regulators

- Input into regulatory and industry focus groups
- Input into consultation papers

Stakeholder engagement

We engage, listen and evolve

Section 172 statement

The aim of section 172 of the Companies Act is to promote the success of the Company as a whole for the benefit of all stakeholders.

We strive to develop and maintain strong relationships with all our stakeholders to ensure we understand their needs and concerns. Engaging with stakeholders encourages positive relationships which impact policies, processes, procedures and ultimately the way we conduct our business. The COVID-19 pandemic has led to new and innovative ways of continuing engagement with stakeholders. We have found that in many instances communication has improved with increased dialogue leading to a better understanding of our stakeholder needs which provides a platform for continuous improvement.

Considering stakeholders in decisions

Developing our ESG strategy

Stakeholder engagement is crucial to the long-term success and sustainability of our business and therefore we prioritised stakeholder views when developing and prioritising our bespoke ESG strategy. This included engaging our key stakeholder groups to conduct a materiality assessment, enabling us to fully understand their views of the ESG topics we need to address as a priority.

Suppliers

Why engagement is important

Our supplier partners provide us with the goods and services we rely on to deliver for our clients; most notably this includes our long-standing reseller and introducer partnerships as well as our many operational service providers and professional advisers. Reliable supplier relationships are crucial in delivering our business model and strategy, and maintaining positive and open engagement is a key priority.

Forms of engagement

- Regular review meetings held with key suppliers and advisers
- Clear onboarding process to ensure we minimise supply risk and have clear outlines of roles and responsibilities

Outcomes

- Continual challenge and improvement of our procurement and payment practices

Banking partners

Why engagement is important

Our banking partners are providers of critical funding, supporting the implementation of the business's operational and strategic goals. We therefore maintain open and transparent dialogue to ensure the business's changing needs are understood and supported.

Forms of engagement

- Quarterly financial and management reporting
- Regular meetings to ensure that banking partners remain fully informed on all areas of the business

Outcomes

- Regular reviews of banking facility arrangements conducted by the Board

Regulatory bodies

Why engagement is important

As a market connector within UK retail financial services industry our relationships with key regulatory bodies such as the Financial Conduct Authority are crucial to helping us support our clients. Acting as a collective voice for the industry, we provide insight and thought leadership that shapes the regulatory environment.

Forms of engagement

- Regular meetings and other opportunities for engagement are held with the Financial Conduct Authority
- Routine responses to consultation papers and other industry thought leadership on regulation

Outcomes

- Regular briefing papers and support provided to our client base on changing regulation

Stakeholder engagement continued

Clients

Why engagement is important

In order to help the market operate more effectively, we prioritise maintaining an open and collaborative relationship with our clients. This enables us to deliver exceptional customer service and develop the tools that our clients need whilst ensuring our offering remains relevant, commercially competitive, and positioned for growth.

Forms of engagement

- Regular intermediary surveys and outbound calls seeking feedback on current services and market conditions
- Regular account manager meetings seeking feedback and suggestions on current services and market conditions
- Focused partner and client engagement to capture requirements during service and proposition enhancement and design
- Monitoring of member satisfaction via Net Promoter Score (“NPS”)

Outcomes

- Increase in member NPS score to 47 (FY20 NPS: 43)
- Further development of strategic discretionary fund management proposition
- Enhanced integration and product design requirements for Fintech modules Xplan and Cashflow based on early adopter feedback programme
- Design and deployment of ESG client profiler, fund filters and fund reviews
- Enhancement of a partner portal architecture following feedback received from partners during beta testing

Employees

Why engagement is important

Our people are our driving force, enabling us to fulfil our purpose and we believe that when they thrive, the business does too. In line with our focus on “thriving workforce”, we are committed to creating a collaborative environment that promotes diversity, individuality, learning and development, and active engagement is core to achieving this.

Forms of engagement

- Regular staff pulse surveys to capture real time feedback
- Regular Company updates and Q&A sessions with senior leadership team
- Monthly manager meetings and Q&As with senior leadership team
- Regular digital and face to face social activities

Outcomes

- Introduction of an anonymous feedback tool to regularly monitor employee satisfaction and engagement
- Enhanced visibility of Company-wide opportunities to support internal progression
- Launch of digital and management development apprenticeships
- Unconscious bias training for all managers
- Wellbeing calendar of activity aligned to five pillar Wellbeing strategy
- Dedicated mental health contact for staff
- New menopause policy and support

Shareholders

Why engagement is important

We prioritise strong, long-term relationships with our shareholders, who provide capital for our business, supporting our strategic growth and long-term value creation.

We therefore maintain open and transparent dialogue with shareholders, seeking feedback, communicating our ambitions and progress, and in turn enabling shareholders to make effective investment decisions.

Forms of engagement

- Discussions at the annual general meeting
- Investor roadshows following results announcements
- Ad hoc meetings between institutional shareholders, Joint CEOs and CFO

Outcomes

- Increased strategic focus on core business assets and disposal of non-core Zest Technology
- Adjustments to the Value Builder rules

Our strategy

Positioned for growth

With a quality technology and services platform serving a diverse customer base, we are positioned for growth through product development and service digitisation.

We aim to enable better outcomes for consumers, intermediaries and product providers through our continued development and growth. We will grow value for our shareholders, develop and reward our teams, and deliver positive outcomes in retail financial services.

Guiding principles

We are a customer-led, data-driven and innovative business that invests in developing our people, digital and data-led services.

We will continue to grow our revenue, margin and improve quality of earnings, while making strategic investments both in terms of internal developments and through the pursuit of strategically aligned and value accretive acquisitions.

Key

Risk

1. Evolution of the regulatory environment
2. Key personnel
3. Loss of key partners
4. Data integrity and cyber security
5. Financial shock outside the Company's control
6. Reputational risk
7. Competition
8. Long-term social restrictions due to COVID-19
9. Climate change

Customers and markets

We provide essential and highly relevant services to UK retail financial services, including product providers, intermediaries and consumers.

Key activities in FY21

- Expansion of our Horizon programme supporting advisers looking to grow through acquisition
- Launch of a new later life lending proposition to deliver services, sourcing and referral solutions for advisers
- Further development of strategic discretionary fund management ("DFM") proposition and client base

Our priorities for FY22

- Continue to digitise and expand our service offering providing tools and services that help our customers meet evolving consumer needs

Risk 1 5 7

Product platform

We lead innovation, delivering premium products and partnerships for services, Fintech and research, and distribution solutions.

Key activities in FY21

- Scaling our distribution as a service ("DaaS") model allowing us to provide richer analytics and broader consultative services to our provider partners
- Investment in development of a connected product platform architecture

Our priorities for FY22

- Further expansion of DaaS model to our provider partners
- Further enhancement and deployment of the product platform across a number of service offerings

Risk 3 4 7

Digitisation

We invest in data-driven digital services that add value and eliminate effort for our clients.

Key activities in FY21

- Development of core portal architecture
- Beta launch of the partner portal
- Development of dedicated digital compliance health checks
- Scaling of our digital events platform with >18,500 attendees at our hybrid events programme

Our priorities for FY22

- Full launch of the partner portal and development of a member portal, using core architecture
- Continued expansion of Defaqto development team to deliver ambitious product and innovation roadmap

Risk 1 4 7 9

Our strategy continued

Positioned for growth continued

Key

Risk

1 Evolution of the regulatory environment
2 Key personnel
3 Loss of key partners
4 Data integrity and cyber security
5 Financial shock outside the Company's control
6 Reputational risk
7 Competition
8 Long-term social restrictions due to COVID-19
9 Climate change

Brand

We are a house of quality and award-winning brands that communicates clear value to all our stakeholders.

Key activities in FY21

- Winner, Best Support Services for Advisers – Professional Adviser Awards
- Winner, BTL Distributor of the Year – OSB Group Awards
- Winner, Mortgage Club of the Year – MI Awards
- Five-star winner, Back Office and Support – Financial Adviser Service Awards
- Winner, Most Effective B2B Marketing Campaign – Financial Services Forum Marketing Effectiveness Awards

Our priorities for FY22

- Strengthen and refresh the industry-leading Defaqto brand

Risk 6 7 9

Organic growth

We focus on growth, adding more value per customer, growing partnerships and reaching more of the market.

Key activities in FY21

- Continued focus on recruiting larger IFA and DFM firms
- Strategic distribution partnership with Tatton Asset Management
- Accelerated software adoption by membership base
- Increased regulation continues to drive demand for our regulatory services

Our priorities for FY22

- Enhance average revenue per customer through expansion and digitisation of our services
- Further investment in our CRM platforms to support data and digitisation objectives

Risk 1 5 7 8

Mergers and acquisitions

We accelerate our growth and gain new capabilities by bringing new businesses into the Company, focusing on value accretive acquisitions and strategic targets that will grow earnings quality.

Key activities in FY21

- Enhancements to integrated operating platform, driving operational efficiency, and accelerating integration of future acquisitions to create a scalable platform for future growth
- Strengthened balance sheet and net positive cash position

Our priorities for FY22

- Maintain prudent leverage and funding flexibility and ensure sufficient operational capacity to maximise strategic growth opportunities

Risk 5 6 7

KPIs

Measuring our performance

Revenue (£m)

£63.9m +5%

Why we measure it

Revenue is a key measure in understanding top line financial performance.

How we measure it

Revenue is measured overtime in a manner that depicts the performance obligation of the subscription or customer contract.

Performance

Total revenue has grown 4.8% to £63.9m (FY20: £61.0m) and reflects our continued growth strategy within our core business and continued investment in our scalable offerings.

Adjusted EBITDA (£m)

£18.3m +6%

Why we measure it

Adjusted EBITDA is a useful measure of underlying operational profitability, excluding one-off and non-cash items.

How we measure it

Adjusted EBITDA indicates earnings before interest, tax, depreciation, amortisation, share option charges and operating exceptional costs.

Performance

Adjusted EBITDA has grown in line with revenue, achieving £18.3m (FY20: £17.3m), an increase of 5.8%, which compares well with prior periods as we continue to reinvest in the business to build our platform for scalable, digitally driven growth.

Adjusted PBT (£m)

£14.1m +9%

Why we measure it

Adjusted PBT is an assessment of underlying operational performance, before income tax.

How we measure it

Adjusted profit before tax excludes operating exceptional costs and amortisation of intangible assets arising on acquisition.

Performance

Adjusted PBT has increased to £14.1m (FY20: £13.0) an increase of 8.5%, demonstrating continued year-on-year growth despite continued investment in our operating platform throughout the current financial year.

Adjusted EPS (p)

10.5p -7%

Why we measure it

Adjusted EPS is an indicator of underlying business profitability relative to shares in issue.

How we measure it

Adjusted EPS excludes operating exceptional costs and amortisation of intangible assets arising on acquisition, divided by the average number of Ordinary Shares in issue for the period.

Performance

Adjusted EPS is 10.5 pence per share (FY20: 11.3 pence per share). The reduction against the prior year is the direct result of the one-off impact of the change in UK corporation tax rates from 19% to 25%. Excluding this one-off impact, the adjusted EPS would have been 12 pence per share on a like-for-like basis.

Dividends (p)

3.0p +5%

Why we measure it

An important component of shareholder capital return reflecting the financial performance of the business.

How we measure it

Total dividend per qualifying share includes interim and final dividends. We balance the need for organic and inorganic investment with returns to shareholders.

Performance

We have proposed a final dividend of 2 pence per share, resulting in a full year dividend of 3 pence per share as the business balance distribution of profits with strategic growth objectives.

Digitisation

Increasing market penetration through service innovation and digitisation

"With a diverse and connected customer base, our focus is to continue to digitise our core services whilst developing new data-driven services, helping the market meet the evolving needs of the end consumer."

Kyle Augustin
COO

Digital service model

Development of Fintech and research capabilities

- Enhancements to Fintech and research offering, including launch of investment trust ratings and expansion of risk mapping and ratings service
- Expansion of ESG research platform with new fund filters and research functionality and digital client/fund suitability profiler deployed

Digital service delivery

- Portal architecture, creating a single point of access for our services, developed and beta tested
- Launch of digital compliance health checks
- Scaling of digital events platform with >18,500 attendees at our hybrid events programme

Focus for 2022

- Full launch of partner portal and deployment of architecture across all three operating divisions
- Further enhancements to Fintech offering with quarterly product release roadmap
- Development of enterprise service and technology proposition

Development of distribution and data and insight services

Strategic partnerships

- >20% of distribution partners converted to distribution as a service ("DaaS") in 2021
- Further expansion of offering into Protection and Mortgage Partners
- Strategic distribution partnership with Tatton Asset Management, including deployment of advice software for up to 2,500 additional users
- Eight partners signed up to Strategic Asset Allocation service ("SAA")

Focus for 2022

- Further expansion of DaaS into adjacent business areas and markets
- Further deployment of SAA service
- Analytics service for intermediaries and product providers tracking product, portfolio and compliance performance

Investing for the future

Digital capability

- Centralisation of core business units and technology, including SimplyBiz and Defaqto HR and Finance, creating operational centres of excellence, allowing scalable integration of future acquisitions
- Continued migration to cloud-based architecture to support continued Company-wide agile product and service development

Focus for 2022

- Continued expansion of Defaqto development team to deliver ambitious product and innovation roadmap
- Further investments in our CRM platforms to support our data and digitisation objectives
- New ERP system to drive optimal performance and operational impact
- Launch of flexible staff benefits platform and digital apprenticeship programme, driving engagement and progression

ESG

Inspiring better outcomes for all

Central to the vision of Fintel is a purpose-based philosophy and, in line with our underlying values, we are committed to driving positive change in our business, our industry and broader communities, **inspiring better outcomes for all.**

Led by that purpose, in 2021 we conducted a holistic assessment of the environmental, social and governance ("ESG") factors that are relevant to our business, considering our impacts, market trends and growth ambitions as they align to our broader strategy.

Combining these inputs, we identified three core pillars, built on seven focus areas supported by underlying material topics that were most relevant to our business and the market in which we operate.

We then conducted a wide-ranging materiality assessment with each of our key stakeholder groups to identify and prioritise our focus areas.

This approach enabled us to define the positive impact we can have using our reach, capabilities and unique market position, whilst also reflecting the needs and views of our industry and stakeholders.

The result is a strategy, bespoke to Fintel, that will drive engagement, improve returns for shareholders and inspire better outcomes for wider society.

Our ESG strategy

We are proud to release our inaugural ESG report, which focuses on building responsible momentum in the ESG topics that matter most for our business, our industry and our stakeholders. We exist to improve the retail financial services market, inspiring better outcomes for all, and our ESG strategy will demonstrate the positive impact we can have through industry collaboration whilst further embedding our purpose and market position."

Matt Timmins
Joint CEO

ESG continued

Defining our priorities

Comprehensive materiality assessment

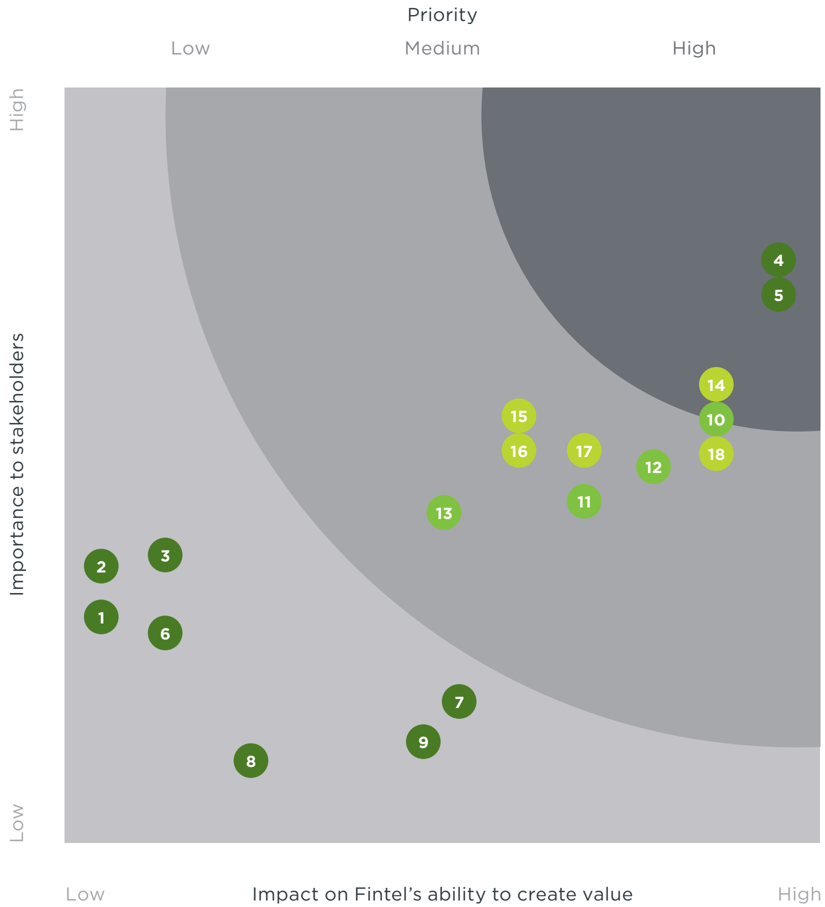
Stakeholder engagement is crucial to the long-term success and sustainability of our business. Our strategy has involved engaging our key stakeholder groups in a materiality assessment enabling us to fully understand their views of the ESG topics we need to address as a priority.

We engaged our Member and Client Firms, strategic partners, team, investors and suppliers to score each of our material topics on a six-point Likert scale*.

The resulting scores have been plotted on the Y axis of our materiality matrix, with our Board's views plotted on the X axis, with high priority material topics shown in bold below.

The results of this assessment will inform the priorities of our ESG strategy over the next three years.

* Likert scale is a close-ended, forced-choice scale widely used to systematically measure individual attitudes in survey research.



Key

BETTER BUSINESS

Environmental footprint

1 Energy management
2 Greenhouse gas emissions
3 Waste management

Corporate governance

4 **Data security**
5 **Business ethics and governance**
6 Supplier relations

Community engagement

7 Charity support
8 Sponsorship
9 Volunteering

BETTER INDUSTRY

Innovation and digitisation

10 **Product and process innovation**
11 Product and process digitisation

ESG enablement

12 ESG facilitation
13 ESG thought leadership

BETTER FUTURE

Financial confidence

14 **Financial education and wellbeing**
15 Financial inclusion

Thriving workforce

16 Diversity and inclusion
17 Workforce development
18 Workforce engagement and wellbeing

ESG continued

Our ESG pillars

BETTER BUSINESS

Having a positive impact on society and minimised impact on the environment

Relevant UN SDG

How we contribute

Minimise our environmental impact and follow sustainable business practice, aligning with a relevant climate reporting framework

Our focus	Our progress	Our goals
Environmental footprint Reducing the environmental impact of our business operations through energy, waste and greenhouse gas emissions management **Material topics** 1 2 3	– Energy Savings Opportunity Scheme (“ESOS”) Phase II assessment conducted – Digitisation and hybrid delivery of core services, reducing travel and carbon footprint – Introduction of a “cycle to work” scheme	– Implement energy efficiency recommendations suggested as a result of ESOS assessment – Identify the most appropriate climate reporting framework
Corporate governance Maintaining best practice in data security, supplier relations, business ethics and governance **Material topics** 4 5 6	– Continued adoption of the Quoted Companies Alliance Corporate Governance Code (“QCA Code”) – Renewed Cyber Essentials certification – Regular internal training on key business ethics topics → Read more about corporate governance on pages 37 to 40	– The Board is committed to continually evolving its governance frameworks to match the developments in the AIM market and industry best practice, the requirements of our stakeholders and the increasing complexity of a growing company
Community engagement Giving back to communities through charity support, corporate sponsorship and staff volunteering **Material topics** 7 8 9	– Ongoing commitment to a number of local causes chosen by our staff, delivered through our Charity Committee	– Continued active engagement with and fundraising for the charitable causes chosen by our staff

How we contribute to the Sustainable Development Goals

The United Nations Sustainable Development Goals (“UN SDGs”) have been adopted to drive positive change globally.

As a business sitting at the heart of the UK retail financial services market, we recognise the importance of our contribution in working towards these commitments. Although our current operations contribute to many of the goals, we have identified the three most relevant, which we will make a significant contribution towards through our ESG strategy.

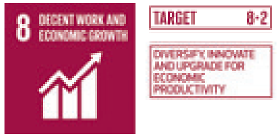
ESG continued

Our ESG pillars

BETTER INDUSTRY

Improving the retail financial services market, helping it operate more effectively and meet evolving customer needs

Relevant UN SDG



How we contribute

Support the growth of intermediary businesses, increasing their efficiency through innovation, service and technology development to meet their evolving needs

Our focus

Innovation and digitisation

Improving the effectiveness of UK retail financial services through new or enhanced products, processes or services to inspire better customer outcomes

Material topics 10 11

Our progress

- Continued development of our digital capabilities and technology and service platform to help the market operate more effectively
- Expansion of distribution as a service ("DaaS"), helping product providers design better products and distribute them more effectively
- Development of remote compliance health checks
- Expansion of client base using remote "zero contact" valuations

→ Read more about digitisation on page 20

Our goals

- Continued investment in and development of our digital capabilities and technology and service platform to help the market operate more effectively
- Further development of distribution, insights and data-driven services to support the market in meeting the evolving needs of its customers

Our focus

ESG enablement

Informing the market on the emerging ESG landscape via insights and education, and enabling the inclusion of ESG criteria within the financial planning and product development processes

Material topics 12 13

Our progress

- Expansion of ESG research platform:
  - Launch of ESG fund selection filters within Fintel's proprietary advice technology platform
  - Digital ESG client/fund suitability profiler deployed to over 8,000 wealth managers and financial advisers to define clients' ESG preferences
  - Over 75 retail investment funds covered by our expert ESG reviews
- Inaugural membership and active support of Diversity & Inclusivity Finance Forum, advocating a more balanced and fairer mortgage industry

Our goals

- Further expansion of ESG research platform via:
  - Scaling of ESG fund selection filters within Fintel's proprietary advice technology platform
  - Expansion of expert fund reviews coverage
- Ongoing support to include ESG considerations in the advice process
- Industry collaboration to embed ESG considerations within the retail financial services market
- Support for firms to integrate ESG principles into their own business strategy and operations

>8,000

Intermediaries for whom digital ESG client profiler has been deployed

>75

retail investment funds now covered by our ESG research platform

ESG continued

Our ESG pillars

BETTER FUTURE

Empowering our people and broader communities, creating opportunities for all

Relevant UN SDG

10 REDUCED INEQUALITIES

TARGET 10.2

PROMOTE UNIVERSAL SOCIAL, ECONOMIC AND POLITICAL INCLUSION

How we contribute

Empower our people and broader communities, improving consumers' financial confidence and creating a platform for growth by promoting diversity, individuality, learning and development at work

Our focus

Financial confidence

Improving levels of financial wellbeing and inclusion by helping individuals to make better informed financial decisions and access products and services that meet their needs

Material topics 14 15

Our progress

- Defaqto star ratings, helping consumers to make better informed financial decisions
- Launch of later life platform, promoting later life products and advice standards
- Focus on financial vulnerability:
  - Collaboration with the Financial Vulnerability Taskforce to promote best practise standards in supporting vulnerable clients amongst our membership
  - Expansion of vulnerability hub, helping advisers serve vulnerable clients
- Leading industry event programme educating advisers on latest trends, products and regulation to better serve their clients

Our goals

- Expansion of later life platform, supporting advisers to give best practice later life advice, including:
  - Qualification development
  - Training programme
  - Later life compliance proposition
- Further focus on financial vulnerability via development of tools to support vulnerable clients, including a cognitive assessment tool

Our focus

Thriving workforce

Building a safe and engaging environment for everyone to thrive by promoting diversity, individuality, learning and development

Material topics 16 17 18

Our progress

- Unconscious bias training for all managers
- Founding members of the Mortgage Industry Mental Health Charter
- Enhanced visibility of Company-wide opportunities to support internal progression
- Five-pillar wellbeing strategy supported by wellbeing activity calendar
- Dedicated mental health contact for staff
- New menopause policy and support

Our goals

- Expansion of our family focused policies to attract a broader range of talent and enhance our people proposition, including new maternity policy and miscarriage and IVF leave
- Launch of flexible staff benefits platform and enhanced policies to promote wellbeing and engagement

ESG continued

ESG roadmap

H1 2021

Peer analysis

Consolidation of existing ESG activity

Risks and opportunities review

Evaluation of external support

Alignment of approach to ESG to broader strategic objectives

July–September 2021

Definition of our ESG pillars, focus areas and material topics

October–November 2021

Materiality assessment questionnaire shared with all our key stakeholders

December 2021

Finalisation of our materiality matrix, informing key priorities for the next three years

Choice of most appropriate ESG frameworks for our 2021 reporting

2022

Formation of our ESG and Wellbeing Committee

Definition of key goals and improvement programme for our high priority topics

Identification of an appropriate climate reporting framework

2023

Definition of key goals and improvement programme for our medium priority topics

2024

Definition of key goals and improvement programme for our low priority topics

2025

Refresh our ESG materiality assessment and strategy based on alignment to Fintel's overall strategy, market trends and stakeholder priorities

ESG continued

Our 2021 ESG reporting frameworks

In 2021, we are reporting in line with the Sustainability Accounting Standards Board ("SASB") Sustainability Accounting Standard for Professional and Commercial Services and Streamlined Energy and Carbon Reporting ("SECR") requirements, which we have identified as the most appropriate reporting frameworks for Fintel this year. As we develop our ESG activities and reporting, we will include additional metrics where relevant, and identify any supplementary reporting frameworks, taking into account developing of standards and common practice.

Streamlined Energy and Carbon Reporting ("SECR")

Our SECR statement has been prepared in line with the UK Government's "Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance" (March 2019) for the financial year ended 31 December 2021.

Reporting encompasses all entities under the Company's operational control. The Company solely operates in the UK and as such the emissions stated are UK emissions only.

We have restated 2020 data to allow comparison across all categories. Data from our first reporting period of 2020 will be used as a benchmark.

A location-based method has been used to calculate emissions with Government conversion factors applied to allow conversion to tonnes of carbon dioxide equivalent ("CO_2e").

Scope 2 emissions have been calculated using electricity usage quoted within utility bills with reasonable usage assumptions based on like-for-like office space occupation, where detailed MI was not available.

Scope 3 emissions have been calculated based on staff expense claims and fuel card information.

When choosing our carbon intensity ratio we explored different options such as number of employees or floor space, but felt revenue was most reflective of business performance.

Our environmental focus and policy

The Board is committed to minimising the environmental impact of our operations, although as a professional services firm our impact, and that of our suppliers is relatively low.

Our focus remains on continued utilisation of digital delivery where possible to reduce travel and print impacts, as well as responsible resource usage and recycling of waste where possible.

In 2021 an Energy Savings Opportunity Scheme ("ESOS") Phase II assessment has been conducted to identify further energy efficiency opportunities.

UK greenhouse gas emissions and energy use data between the period 1 January and 31 December	2020	2021
Energy consumption used to calculate emissions (kWh)	1,054,080	**1,049,485**
Energy consumption breakdown (kWh):		
Gas	135,718	**135,808**
Electricity	270,170	**345,244**
Transport fuel	648,193	**568,434**
Scope 1 emissions in metric tonnes of CO_2e: Gas consumption	24.95	**24.87**
Scope 2 emissions in metric tonnes of CO_2e: Purchased electricity	62.99	**73.31**
Scope 3 emissions in metric tonnes of CO_2e: Business travel in employee-owned vehicles	160.71	**139.85**
Total gross emissions in metric tonnes of CO_2e	248.65	**238.03**
Intensity ratio: Tonnes of CO_2e per £1m of revenue	4.08	**3.73**

→ Visit our website to find out how we report against SASB disclosures:
www.wearefintel.com/h/fintel-sasb-disclosures-2021/

Financial review

David Thompson
Chief Financial Officer

Three-year revenue progression (£m)

£63.9m +5%

Robust trading and improved margins

Total Revenue

The business has performed well in the current financial year, and has seen continued growth across all key areas. Total revenues have grown 5% to £63.9m (FY20: £61.0m). It is important to note revenues in 2020 compared well to 2019, showing a small decrease of 3% but importantly highlighting that the business is extremely resilient to significant macro-economic factors due to our SaaS and subscription-based revenue model. As the wider UK economy recovered during 2021, we as a business further strengthened our position in our market and continued to grow, exceeding 2019 pre-pandemic levels and achieving record turnover.

Further underpinning the financial performance, was that total revenue for the full year on a like-for-like basis would have increased 9% year-on-year.

Divisional performance

Intermediary Services

Intermediary Services revenue decreased 4% to £24.0m (FY20: £25.0m), however the organic growth year-on-year was 5%.

Our Intermediary Services division provides compliance and business services to financial intermediary firms through a comprehensive membership model.

Members, including financial advisers, mortgage advisers and wealth managers, are regulated by the FCA. The division also provided employee benefits software to consultants and employers prior to the disposal of Zest Technology.

In 2021 Intermediary Services division delivered:

- Average Revenue per Customer ("ARPC") of £7,026 (FY20: £6,729) – an increase of 4%.
- Membership fee income increase to £10.9m (FY20: £10.7m) due to level customer numbers and fee increasing by 2%.
- Additional services income increase of 4% to £5.2m (FY20: £5.0m).
- Software licence income growth of 9% to £6.0m (FY20: £5.5m).
- Gross profit* of £7.4m (FY20: £8.6m) with gross profit margin** of 30.8% (FY20: 34.4%) reflects increased investment in our delivery platform.

* Gross profit is calculated as revenue less direct operating costs.

** Gross profit margin is calculated as gross profit as a percentage of revenue.

Distribution Channels

Distribution Channels revenue increased by 12% to £23.1m (FY20: £20.7m).

The Distribution Channels division delivers data, distribution and marketing services to product providers.

In 2021 Distribution Channels delivered:

- Marketing services revenues of £5.1m (FY20: £5.7m) reflecting a full year of COVID-19 impact on physical events.
- Core commission revenues of £8.3m (FY20: £7.9m) an increase of 5% mainly driven by mortgage market buoyancy against a strong lending performance in the year.

Financial review continued

Divisional performance continued

Distribution Channels continued

- Core commission revenues include Verbatim revenues of £1.7m to September 2021 being the date of the strategic disposal (FY20: £2.3m).
- Non-core panel management and valuation services revenues of £9.8m (FY20: £7.1m), also driven by the recovery of the mortgage market.
- Gross profit of £10.9m (FY20: £11.3m) with gross profit margin of 47.2% (FY20: 54.6%) reflecting increased activity in non-core surveying business.

Fintech and Research

Fintech and Research revenues grew by 10% to £16.8m (FY20: £15.3m).

Fintech and Research comprises our Defaqto business. Defaqto provides market-leading software, financial information and product research to product providers and financial intermediaries.

Development of Fintech and Research capabilities:

- Enhancements to Fintech adviser software with improved risk profiling functionality, launch of income drawdown solution and ESG fund selection filters.
- Expansion of risk mapping and ratings service with launch of new investment trust ratings.
- Defaqto ESG research platform expanded to cover 76 retail investment funds and our Digital ESG Client Profiler has been deployed to over 8,000 wealth managers and financial advisers. In 2021 Fintech and Research division delivered:
- Software revenue of £8.0m (FY20: £7.4m).
- Product Ratings revenue of £8.0m (FY20: £7.3m) was delivered.
- Other income of £0.8m (FY20: £0.4m) was delivered from consultancy and ad hoc work.
- Fintech and Research delivered a strong gross profit margin of 64.3% (FY20: 60.1%)

Profitability

Our adjusted EBITDA has grown in line with revenue, achieving £18.3m (FY20: £17.3m), an increase of 5.8%.

Three-year adjusted EBITDA track record (£m)

£18.3m +6%

Three-year adjusted EBITDA margin progression (£m)

28.6% +20bps

The resulting adjusted EBITDA margin of 28.6% (FY20: 28.4%) compares well with prior periods as we continue to reinvest in the business to build our platform for scalable, digitally driven growth.

Again it is pleasing to see that, in addition to year on year growth over 2020 and 2021, we are also inherently more profitable than 2019, the last full year before the global pandemic, despite continued investment in our operating platform throughout the current financial year.

Adjusted EBITDA margin is calculated as adjusted EBITDA (as defined in note 8), divided by revenue. Whilst adjusted EBITDA is not a statutory measure, the Board believes it is a highly useful measure of the underlying trade and operations, excluding one-off and non-cash items.

Operating income/costs of an exceptional nature

Exceptional income of £7.8m (FY20: exceptional net costs of £0.8m) relates entirely to transaction-related activity, being the strategic disposal of Zest Technology Limited and fund assets from operations within Simplybiz Investments Limited (formerly Verbatim Investments Limited). Reported exceptional income is net of transaction costs of £1.3m. No other costs have been treated as exceptional.

In the prior year exceptional operating costs in 2020 of £0.8m, included £0.6m relating to the restructuring of the cost base in response to the impacts on the business from the COVID-19 pandemic, and £0.2m of Executive loss of office costs.

Share-based payments

Share-based payment charges of £1.1m (FY20: £0.9m) have been recognised in respect of the options in issue, including the new "Value Builder Plan" MIP scheme that was introduced for key management personnel during the year. The annualised run rate of that scheme with a three-year vesting period is £1.2m.

A year of significant strategic progress, continued digitisation and strong performance."

Financial income and expense

Net finance expenses of £0.7m (FY20: £1.2m) relate to the utilisation of the Group's five-year revolving credit facility, which is not due for renewal till March 2024. Strong operating cash inflows and the proceeds from strategic divestment have allowed the business to significantly reduce the gross debt level within the Group from £30m at the previous year end to £7m as at 31 December 2021. The interest cost on the drawn portion of the facility has reduced directly as a result.

Taxation

The underlying tax charge of 26% for the year includes the significant one-off impact of the future change in 2023 of Corporation Tax rates in the UK from 19% to 25%. Excluding the effects of this, and prior year adjustments in respect of submission of R&D claims of £0.5m, our effective underlying tax rate would be 20%. As a significant UK corporation tax paying group, we settle our liability for corporation tax on a quarterly basis in advance, and have paid c.£1.8m in corporation taxes evenly throughout the year.

Financial review continued

Earnings per share

Earnings per share has been calculated based on the weighted average number of shares in issue in both periods. Adjusted earnings per share in the period amounted to 10.5 pence per share (FY20: 11.3 pence per share). The reduction against the prior year is as a direct result of the one-off impact of the change in UK Corporation Tax rates from 19% to 25%. Excluding this one-off impact, the EPS would have been 12 pence per share on a like-for-like basis.

Financial results

	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m
Group revenue	**63.9**	61.0
Expenses	**(45.6)**	(43.7)
Adjusted EBITDA	**18.3**	17.3
Adjusted EBITDA margin %	**28.6%**	28.4%
Depreciation	**(0.3)**	(0.3)
Depreciation of lease asset	**(0.6)**	(0.8)
Amortisation of development expenditure and software	**(1.5)**	(1.1)
Adjusted EBIT	**15.9**	15.1
Operating costs of an exceptional nature	**—**	(0.8)
Gain on sale of subsidiary	**4.3**	—
Gain on sale of operations	**3.5**	—
Share option charges	**(1.1)**	(0.9)
Amortisation of other intangible assets	**(2.0)**	(2.0)
Net finance costs	**(0.7)**	(1.2)
Profit before tax	**19.9**	10.2
Taxation	**(4.3)**	(2.0)
Profit after tax	**15.6**	8.2
Adjusted earnings per share* ("EPS")	**10.5**	11.3

* Adjusted EPS excludes operating exceptional costs and amortisation of intangible assets arising on acquisition, divided by the average number of Ordinary Shares in issue for the period.

Dividend

During the year the Company paid the final dividend in respect of FY20 of £2.8m, and an interim dividend in respect of FY21 of £1.0m. The Board is proposing a final dividend in respect of FY21 of 2.0 pence per share, payable on 7 June 2022, to shareholders on the register on 29 April 2022 with an ex-dividend date 28 April 2022, subject to shareholder approval at the Company's annual general meeting.

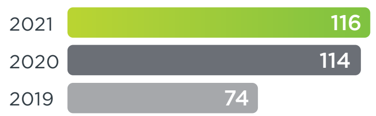
Cash flow and closing net debt

At 31 December 2021, the Company had net cash of £2.6m, compared to a net debt position of £19.4m at 31 December 2020. Net cash is calculated as borrowings less cash and cash equivalents and amortised arrangement fees. This represents a net cash to adjusted EBITDA ratio of 0.1 times (31 December 2020: net debt ratio of 1.1 times).

Underlying operating cash flow conversion was 116% (FY20: 114%), calculated as underlying cash flow from operations as a percentage of adjusted operating profit. Underlying cash flow from operations is calculated as adjusted operating profit, adjusted for changes in working capital, depreciation, amortisation, CAPEX and share based payments. A reconciliation of free cash flow and underlying cash flow conversion is provided in note 8 to the financial statements.

Underlying operating cash conversion (%)

116% **+200bps**



The Company's significant capitalised development expenditure and corporation tax payments impact the Company's cash generation.

Accounting policies

The Company's consolidated financial information has been prepared consistently in accordance with UK-adopted International Accounting Standards ("UK-adopted IAS"), in conformity with the requirements of the Companies Act 2006. No new accounting standards were adopted in the current financial year.

Going concern

The Directors have undertaken a comprehensive assessment to consider the Company's ability to trade as a going concern for a period of 18 months.

The Directors have robustly tested the going concern assumption in preparing these financial statements, taking into account the Group's strong liquidity position at 31 December 2021 and a number of severe but plausible downside scenarios, which collectively would be considered remote, and remain satisfied that the going concern basis of preparation in the financial statement is appropriate.

On the basis of the Company's current and forecast profitability and cash flows, and the availability of committed funding, the Directors consider and have concluded that the Company will have adequate resources to continue in operational existence for at least the next 18 months. As a result they continue to adopt a going concern basis in the preparation of the financial statements.

David Thompson
Chief Financial Officer
21 March 2022

Risk management report

Focused risk management

The Board is responsible for oversight of risks to safeguard that the business is not exposed to either unnecessary risks or insufficient management of those risks.

We understand that some risks are inherent in our business activities and can relate to internal and external strategic threats, operational issues, compliance with laws and our reporting obligations. We recognise that not all risks are created equal, and that it is both practical and appropriate to put in place a system of assessing both the likelihood of a risk event occurring and the impact a realised risk would have on our operations. Our assessment system provides a grading of risks by multiplying a value based on the potential impact of the risk by a value based on the likelihood of its occurrence and, dependent on the final value, they are categorised as minor, moderate or major risks. Principal risks are monitored and overseen by our Board and Audit Committee whilst oversight of the remaining lower materiality risks rests with our Governance Committee and our risk owners. A summary of the current principal risks, mitigating actions and status is shown overleaf.

Risk management framework

This diagram below illustrates examples of how we manage risk across the organisation. This framework remains unchanged from prior year although we continue to adopt a cycle of review and improvement of our structures and will further develop our risk capabilities as required as the Company develops.

The Board

- Overall responsibility for Company risk management
- Sets risk appetite, impact matrix and definitions
- Ensures risk management culture is embedded

Audit Committee

- Provides advice and challenge to the Board
- Considers requirement for internal audit
- Reviews significant risks

Executive management

- Receives reports from business units and makes reports and recommendations to the Board/Audit Committee

Business units

- Accountable for unit-specific risk management and improvements

→ Directs and monitors

→ Reports for evaluation

Risk management report continued

Risk description	Mitigating actions	Impact potential	Change
Evolution of the regulatory environment			
Whilst changes in the regulatory environment can represent a significant opportunity to Fintel, they also pose a risk if any activities become regulated or prohibited or if the Company fails to adapt its product offering.	– We continually invest in the development of our products in order to ensure that they are relevant to the latest regulatory requirements – Regular reviews of regulatory landscape and commentary are completed and reviewed at Board level – Income revenues are well diversified – Regular reviews of perimeter guidance to understand the potential for any services of the Company to become regulated activity – A cross-company working group includes Defaqto in this ongoing assessment of regulatory threats	Moderate	Risk increased We are aware of an increased regulatory burden on intermediary firms. Fintel is always looking to develop its product offerings to protect itself from this risk. The impact of FCA increases to application fees for newly authorised firms is being closely monitored by our application support team.
Key personnel			
Loss of any key individual or the inability to attract appropriate personnel could impact on Fintel's ability to execute its business strategy which could negatively impact upon the Company's future performance.	– Contractual arrangements and long-term incentive schemes aim to secure the services of the Executive Directors. The Remuneration Committee actively considers our employee packages to support the attraction and retention of staff – The Nomination Committee actively reviews succession plans	Moderate	Risk reduced New Long Term Incentive Plan being introduced for Executive Directors and operational leaders (Value Builder Plan). Company-wide incentive scheme realigned to strategic objectives. Remuneration consultants engaged for 2022 review.
Loss of key partners			
If the Company's relationship with these partners terminates and we are unable to replace those partners, the financial condition of the Company could be adversely affected.	– Our revenue streams remain well diversified and we have low client concentration with no single client contributing in excess of 1% of Company turnover – We have a strong programme of engagement with our client base	Low	Risk reduced Our distribution as a service ("DaaS") for product providers and enterprise-level agreements for larger IFA firms typically have longer contractual terms, which has reduced this risk whilst also delivering stronger value to these customer bases.
Data integrity and cyber security			
There is a risk to the Company if there is unauthorised access to or integrity issues with its data systems.	– Fintel conducts a regular review of its network security arrangements, maintaining as a minimum Cyber Essentials Plus accreditation – All staff receive regular training on cyber threats and other data loss/integrity risks – Access to data is provided only to those individuals with a genuine business need – Where data is shared external to the Company this is done under contractual arrangements – An independent IT review has been conducted on Defaqto	Moderate	Risk increased Fintel continues to monitor and respond to this threat. The Company ICT platform has been upgraded to Microsoft Cloud. Through its coronavirus response the Company now facilitates hybrid working for all staff – robust security measures remain in place to ensure data integrity.

No change Risk reduced Risk increased

Risk management report continued

Risk description	Mitigating actions	Impact potential	Change
Financial shock outside the Company's control			
Uncertain economic prospects or a sustained period of financial instability could result in stagnation in the financial services industry and therefore in turn the Company.	– Fintel has a high proportion of recurring and SaaS-like revenues – The Board regularly reviews the financial markets for trends and deploys and amends its resources based on these assessments	Moderate	Risk increased. A robust response to the COVID-19 pandemic, and structural protections against Brexit impacts, protected the Company well from these external events. The Board observes closely the emerging risks of the inflationary environment and revised tax structure of the UK. While Fintel does not operate in either Ukraine or Russia, the macro-economic and humanitarian outcomes of the conflict are uncertain and remain under review.
Reputational risk			
Deterioration in the market perception of Fintel could lead to a loss of business.	– The business culture, processes and controls result in a strong brand that is monitored regularly by the Board	Significant	Risk reduced. The Fintel rebrand and framework delivered a strengthened brand for the Company. In addition the recruitment of a Director of Brand has further reduced risk in this area.
Competition			
A risk to the Company that a competing company attracts its membership through alternative services or pricing models.	– The Board regularly reviews its membership and customer base including attrition – Competitor and wider industry changes are routinely monitored – The Company benefits from high barriers to entry	Moderate	No change. Retention of clients remains broadly in line with prior years. Competitive threats are reviewed regularly.
Long-term social restrictions due to COVID-19			
A risk that the Company's revenue lines would be impacted by further restrictions to movement as a response to the pandemic.	– The Company's move to digitisation and embedded workflow with its clients position it well to withstand lockdown restrictions; however, some revenue lines (mortgages, surveying and event income) are more sensitive to this risk (although partly offset by operational efficiencies)	Low	Risk reduced. Given the success of the UK vaccine roll-out and removal of restrictions, the Board is positive the impacts are now largely known but will continue to monitor these closely.
Climate change			
A risk of increased frequency and/or severity of climate-related risk events and legislation or economic shock caused by a move to a low carbon approach to business.	– The development of the new ESG strategy has provided further insight into climate-related risks specific to Fintel	New	Risk increased. The Board does not believe that the Company faces any specific risks resulting from the emerging climate-related risks; however, it is not immune to generalised risks in this area and monitors these closely.

No change Risk reduced Risk increased

Viability statement

The Company's conservative financial position prior to the COVID-19 pandemic left it in a good position to manage the challenging times. This position and the robust, recurring nature of our core revenue lines and strong cash flow conversion have allowed the Company to end 2021 in a positive net cash position.

Assessment process and time line

The Directors have considered the viability of the Company over an appropriate period of time selected by them. The business planning process reviewed by the Board, as part of the strategic planning process, is over a three-year timeline. Multiple scenarios were modelled through the process and were reviewed by the Board. The Directors, in making the assessment that three years was appropriate, considered the current financial and operational position of the Company and carried out a robust assessment of the principal risks and uncertainties facing the Company as outlined on pages 31 to 33 of the annual report, focusing on the future performance, solvency and liquidity of the Company.

Scenario testing

For the purposes of the viability assessment, the Directors considered a number of severe but plausible case scenarios in which:

- Scenario 1 – all core membership reduced by 33% from January 2022 onwards;
- Scenario 2 – 50% reduction in product provider income from January 2022 onwards;
- Scenario 3 – 33% reduction in mortgage market from January 2022 onwards, affecting both mortgage over-ride, valuations and commissions;
- Scenario 4 – 33% reduction in Defaqto Engage revenues from January 2022 onwards;
- Scenario 5a – scenarios 1-4 combined with no management actions taken to address the position; and
- Scenario 5b with additional management action utilising the debt facility to cover any cash shortfall while remaining comfortably within covenant thresholds.

Access to financing

Given the Company's strong cash generation, proven abilities to pay down debt, current net debt-free position, and available credit lines, the Directors believe it is reasonable to expect that the Company would have access to further financing and/or the ability to agree covenant amendments should this be required.

Longer-term prospects

The Market review and Business model sections in the Strategic report describe how the Board has positioned the Company to take advantage of the growth opportunities in the markets in which the business operates and how the Company is positioned to create value for shareholders, over the longer term, taking account of the risks described in this section of the annual report.

Basis for the Directors' reasonable expectation of the Company's prospects

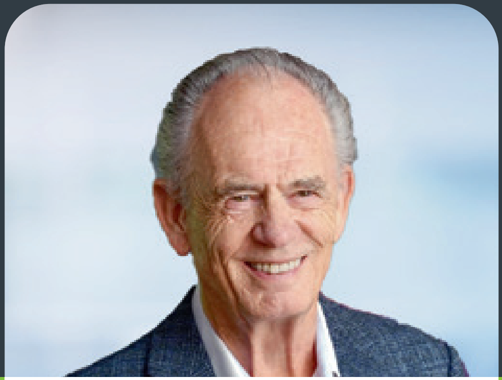
The Directors' assessment of the Company's prospects for the three-year period is based on the stress-testing outlined above and the risk assessments considered as part of our risk management framework. The Directors believe this to be a suitably robust process that supports them to form a reasonable expectation of prospects for the Company over the three-year assessment window.

Viability statement

Based upon this assessment, the Directors confirm that they have reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three-year assessment period.

Board of Directors and Company Secretary

Expertise underpinned by experience



Ken Davy
Non-Executive Chair
Appointed to the Board: November 2002 (founder)

Key strengths and qualifications:

- Substantial financial services and business sector experience with a track record of entrepreneurial and strategic success
- Founder of the Company, with a detailed understanding of all operations and a strong alertness of the needs of all stakeholders in the retail financial services community
- Honorary Doctorate in Business Administration from the University of Huddersfield and an Honorary Fellowship of the Chartered Insurance Institute
- Eminent and respected figure in the financial services profession, winning multiple lifetime contribution awards

Current external commitments:

- Chair, Huddersfield Giants Limited
- Visiting Professor of Entrepreneurship at the University of Huddersfield
- Chair, Venari Group Limited

Previous roles:

Ken has more than 50 years' experience in the retail financial services industry both in public and private companies. Ken has also supported and led multiple charitable organisations as well as having long-standing involvement in the sporting industry

Neil Stevens
Joint Chief Executive Officer
Appointed to the Board: May 2010 (joined 2004)

Key strengths and qualifications:

- Proven experience in commercial, strategy and M&E leadership for growing organisations
- Extensive knowledge of financial services technology and investments
- MBA and LSE ELITE public company training
- Active in multiple industry forums

Current external commitments:

- None

Previous roles:

Neil spent seven years in the automotive and aerospace sectors in the UK and Europe

Matt Timmins
Joint Chief Executive Officer
Appointed to the Board: May 2010 (joined 2002)

E

Key strengths and qualifications:

- Significant sales and marketing experience
- Highly experienced in mergers and acquisitions
- Strong relationships with key distribution partners
- Postgraduate Diploma in Marketing from the Chartered Institute of Marketing ("CIM")

Current external commitments:

- None

Previous experience:

Various marketing positions at GE Capital, Misys and DBS Financial Management

David Thompson
Chief Financial Officer
Appointed to the Board: April 2021

Key strengths and qualifications:

- An experienced finance leader in both private and listed companies
- Qualified Chartered Accountant ("ICAS")
- Strong track record in growing businesses
- Completed a number of corporate transactions, raising equity and debt on public and private markets

Current external commitments:

- None

Previous experience:

Chief Financial Officer at SMS plc, Group Financial Controller at Energetics and Audit Director at PwC LLP

Board of Directors and Company Secretary continued

Tim Clarke
Independent Non-Executive Director
Appointed to the Board: December 2016

A R N

Key strengths and qualifications:
- Extensive corporate finance experience
- Experience in numerous industries including support services, manufacturing, financial services, software and media
- Qualified Chartered Accountant
- Degree in Economics from Lancaster University

Current external commitments:
- Partner, Park Place Corporate Finance

Previous roles:
Former Partner at both KPMG and BDO. Tim established BDO Corporate Finance in Leeds in 2003

Imogen Joss
Senior Independent Non-Executive Director
Appointed to the Board: January 2021

A R N E

Key strengths and qualifications:
- Strong commercial background with a particular focus on the Fintech space
- Experienced in global customer management
- Significant index, data analytics and commodities background
- M&A and private equity exposure

Current external commitments:
- Chair, Grant Thornton UK LLP
- NED and Chair of the Remuneration Committee, IPSX UK Ltd
- NED and Chair of the Remuneration Committee, Euromoney II plc

Previous roles:
SID and Chair of the Remuneration Committee at Gresham Technologies plc

Vicky Williams
Company Secretary
Appointed to role: May 2019 (joined October 2018)

E

Key strengths and qualifications:
- Strong background in risk management and corporate governance
- Over 15 years' experience in retail financial services
- Chartered Secretary and Fellow of The Chartered Governance Institute UK & Ireland ("FCG")
- MSc in Professional Practice (Senior Leadership) from Lancaster University

Current external commitments:
- None

Previous roles:
Vicky has held various governance and leadership roles at leading financial service providers in the UK including Yorkshire Building Society, Close Brothers and HSBC

Key to Committee membership

- A Audit Committee member
- R Remuneration Committee member
- N Nomination Committee member
- E ESG and Wellbeing Committee member
- Committee Chair

Board diversity

Board skills

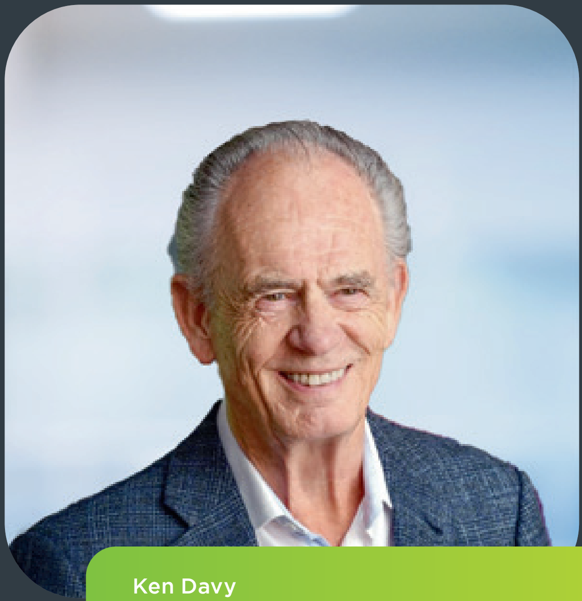
Technology/software experience:

Financial services experience:

Previous PLC board experience:

Driving growth and innovation:

Corporate governance report



Ken Davy
Chair

The Board is committed to promoting a strong ethical and values-driven culture throughout the organisation."

Committed to ensuring sound governance arrangements

Chair's introductory statement

Effective leadership has never been more important, and, as Chair, it falls to me to ensure that the Board discharges its responsibilities appropriately, adhering to a robust corporate governance regime. 2021 was a strong year of strategic delivery including the successful sale of the non-core Zest Technology and the strategic disposal of Verbatim. These transactions have streamlined the business and provided us with enhanced financial agility to support future strategic growth. In addition, we have built a comprehensive ESG strategy which is fully aligned to our strategy, goals and vision to create better outcomes for all. These are all hugely significant events, marking a successful year. Both Gary Hughes (during his tenure as Chair) and I focused on ensuring that these important strategic matters, amongst others, have received sufficient time and consideration at Board meetings and that key decisions have been made effectively and efficiently, taking full account of the requirements of our many stakeholders. On behalf of the Board, and in my role as Chair, I am pleased to introduce our Corporate governance report for the year ended 31 December 2021.

Governance framework

Consistent with prior years, we continue to adopt the Quoted Companies Alliance Corporate Governance Code ("QCA Code"), published in April 2018. I am delighted to confirm that the Board has applied the principles and complied with all the provisions of the QCA Code throughout FY21. Compliance with the Code is reviewed and updated annually and published on our website.

Whilst the Company does not currently adopt the UK Corporate Governance Code (most recently updated in 2018), the Board endeavours to stay up to date with its requirements and continues to adopt elements of it, where appropriate.

Key governance activities during the year included:

- regular meetings with discussion on the Company's ongoing response to COVID-19, including oversight of and approval of several key decisions;
- review and approval of the Group's new dividend policy;
- evolution of our strategy and digitisation programme;
- monitoring and oversight of the Group's disposal of Zest Technology Limited in July 2021;
- oversight of the creation of a strategic partnership with Tatton Asset Management, which included the sale of our fund management business Verbatim in September 2021;
- nomination and appointment of David Thompson as Chief Financial Officer;
- oversight of the selection and appointment of EY as the Company's auditor;
- review of the output from the 2020 Board evaluation and relevant action planning as a result; and
- development of our new our environmental, social and governance ("ESG") strategy. See pages 21 to 27 for further details.

Corporate governance report continued

Board meeting attendance

The attendance of Directors at Board meetings is indicated in the table below:

Name	Jan	Feb	Mar	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Summary
Ken Davy	●	●	●	●	●	●	●	●	●	●	●	●	100%
Gary Hughes	●	●	●	●	●	●	●	●	●	–	–	–	100%
Imogen Joss	●	●	●	●	●	●	●	●	●	●	●	●	100%
Tim Clarke	●	●	●	●	●	●	●	●	●	○	●	●	92%
Matt Timmins	●	●	●	●	●	●	●	●	●	●	●	●	100%
Neil Stevens	●	●	●	●	●	●	●	●	●	●	●	●	100%
David Thompson	–	–	–	●	●	●	●	●	●	●	●	●	100%
Gareth Hague	●	●	●	–	–	–	–	–	–	–	–	–	100%

● Attended ○ Did not attend – Not applicable

Board composition and skills

The Board is comprised of three Executive Directors and three Non-Executive Directors ("NEDs") (including the Chair). The details of each Director are set out in the Board of Directors section of this report. The Board is satisfied that it has a suitable balance between independence and knowledge of the business to allow it to discharge its duties and responsibilities effectively.

The Non-Executive Directors fulfil a vital role in corporate governance and have a particular responsibility to ensure that the strategies proposed by the Executive Directors are critically reviewed to ensure they are in the best long-term interests of shareholders, customers, employees, and other stakeholders. The Board considers each of the Non-Executive Directors (excluding the Chair), being Imogen Joss (Senior Independent Non-Executive Director) and Tim Clarke, to be independent. Following the resignation of Gary Hughes in September 2021, the Board is actively recruiting for a replacement Independent Non-Executive Director; further details are provided in the Nomination Committee report on pages 45 and 46.

All Board members have clearly defined roles and responsibilities. The roles of Chair and the Joint Chief Executive Officers are separate and there is a clear division of responsibilities between those roles. We have articulated these roles and responsibilities and have clearly documented matters reserved for the Board as well as having clear and transparent terms of reference for all the Committees of the Board. These can be found on the Company's website.

The Company is led by a strong and experienced Board, which brings a depth and diversity of expertise to the leadership of the Company. The Board has an appropriate balance of skills, experience and knowledge of the Group and its markets to enable it to discharge its responsibilities effectively. The Chair and Non-Executive Directors have other third-party commitments including directorships of other companies as set out in their biographies. The Company is satisfied that these associated commitments have no measurable impact on their independence or their ability to discharge their responsibilities effectively. The Executive Directors and the Company Secretary have no third-party commitments.

Directors receive appropriate training where necessary, both when joining the Board and at regular intervals to ensure their knowledge remains up to date. Refresher training on the AIM Rules and Market Abuse Regulation was provided by a third party to the entire Board during the year.

Role of the Board

The Board is responsible for the long-term performance of the Company. Specific matters are reserved for the Board. These are set out on the Company's website and include Company strategy, corporate and capital structures, approval of key financial matters (including annual and interim results, budgets and dividend policy), material contracts and Board membership and remuneration. It is the Board's role to ensure that the Company is managed for the long-term benefit of all its stakeholders, by providing effective leadership and direction to the business. The Board is responsible for balanced and efficient decision making, and for overseeing the overall financial performance of the Company. Strong governance is a key element of our strategy and the Board ensures continual improvement of processes, controls and risk management to ensure our governance framework remains fit for purpose as the Company grows.

Operation of meetings

The Chair, aided by the Company Secretary, is responsible for ensuring that, to inform decision making, Directors receive accurate, sufficient and timely information. The Company Secretary compiles the Board and Committee papers which are circulated to Directors prior to meetings. Any conflicts of interest are declared at the start of each Board meeting and appropriate action is taken where necessary to ensure independent judgement is not overridden. The Company Secretary also ensures that any feedback or suggestions for improvement on Board papers are fed back to management. The Company Secretary provides minutes of each meeting, and every Director is aware of the right to have any concerns minuted and to seek independent advice at the Company's expense where appropriate.

Corporate governance report continued

Business model and strategy

The Company's business model creates better outcomes for all stakeholders and is customer led, data driven and innovative. Its platform is robust and scalable, ready for future expansion and growth. Read more about our business model on page 14. The Company has a documented strategic plan which focuses on expanding the business with a view to grow shareholder value as more fully outlined on pages 17 and 18. The strategy is kept under regular review by the Board. Challenges to the strategy are monitored through our risk framework as further outlined on pages 31 to 33.

Board meetings and attendance

The Board typically meets eight times per annum. During 2021, the Board met formally 12 times. Additional meetings were held as necessary to conduct business of a routine and administrative nature. Attendance is shown in the table on page 38. To enable the Board to discharge its duties, all Directors receive appropriate and timely information prior to these meetings. A formal Board programme is agreed before the start of each financial year. This is structured, as far as possible, to align with the Company's annual financial reporting.

The Board Committees

The Board is supported by the Audit, Nomination, Remuneration and ESG and Wellbeing Committees, each chaired by one of our Non-Executive Directors. Each Committee has access to the resources, information and advice that it deems necessary, at the cost of the Company, to enable the Committee to discharge its duties.

Audit Committee

Name	6 meetings
Tim Clarke	● ● ● ● ● ●
Imogen Joss	● ● ● ● ● ●
Gary Hughes	● ● ● ● ● –

● Attended ○ Did not attend – Not applicable

The Company has an established Audit Committee chaired by Tim Clarke. The Company's external auditor, Chair and executive management are invited to attend the Audit Committee meetings as required. The Audit Committee's primary responsibility is the monitoring of the financial integrity of the financial statements of the Company including compliance with and appropriateness of accounting policies. Overall responsibility for reviewing and approving the annual report and accounts and the half-yearly reports remains with the Board.

The Audit Committee meets at appropriate times in the financial reporting and audit cycle. The terms of reference of the Audit Committee cover issues such as membership and the frequency of meetings, together with the quorum and right to attend meetings.

Any non-audit services that are to be provided by the external auditor are reviewed by the Committee in order to ensure auditor objectivity and independence. The external auditor has the opportunity during the Audit Committee meetings to meet privately with Committee members in the absence of executive management.

The Audit Committee is also responsible for reviewing the Company's procedures for the identification, assessment, management and reporting of risks and for determining the need for an internal audit function within the Company.

Remuneration Committee

Name	10 meetings
Imogen Joss	● ● ● ● ● ● ● ● ● ●
Gary Hughes	● ● ● ● ● ● – – – –
Tim Clarke	● ● ● ○ ○ ● ● ● ● ●

The Remuneration Committee, chaired by Imogen Joss*, is responsible for developing the policy on executive remuneration and setting the remuneration packages of individual Directors. Although members of the executive management are from time to time invited to attend the Remuneration Committee, they are not permitted to be present during the debate or decisions regarding their own remuneration. The Committee met more frequently during 2021 to fully debate and consider the implementation of the Value Builder Plan and to manage the vesting process of the Management Incentive Plan and other option schemes which vested during the year. See the Remuneration report on pages 47 to 50 for further details on the Committee's activities.

* Gary Hughes chaired the first five Remuneration Committee meetings of the year and was succeeded by Imogen Joss in June 2021.

Nomination Committee

Name	5 meetings
Gary Hughes	● ● ● ● –
Imogen Joss	● ● ● ● ●
Tim Clarke	● ● ● ● ●

The Nomination Committee holds the primary responsibility of establishing and maintaining a formal, rigorous and transparent procedure for the appointment of new Directors to the Board. The Committee also regularly reviews the structure, size and composition of the Board as well as succession planning and the time commitments needed from Non-Executive Directors.

The Committee was chaired by Tim Clarke until April 2021, when the position was taken up by Imogen Joss. The Committee met more frequently during 2021 to fully debate and consider the Board and executive management succession plans, as well as to support the search for a new Non-Executive Director following Gary Hughes' departure in September 2021.

Corporate governance report continued

ESG and Wellbeing Committee

During 2021 the Board carried out a full review of its environmental, social and governance ("ESG") programme. As a result of this review a new Board Committee was ratified in January 2022 and was created by the Board for the purpose of ensuring that the Company's approach to ESG and wellbeing is clearly set out and consistently monitored and adapted to suit the growing needs of the Company and its stakeholders. The Committee is chaired by Imogen Joss and comprises, in addition, Matt Timmins (Joint CEO), Vicky Williams (Company Secretary), Kate Kwiatkowska (Head of ESG and Corporate Marketing), Amber Lippiett (Director of Brand) and Emily Blain (HR Director). Full details of the Committee's remit and planned activities can be found on page 41 of this report.

Relations with shareholders

The Company engages regularly with its shareholders through formal meetings, informal communications and stock exchange announcements.

Members of the Board (including the Joint Chief Executive Officers and the Chief Financial Officer) meet formally with institutional shareholders following results announcements, presenting Company results, articulating strategy and updating shareholders on progress.

The Company is committed to ensuring that good relations are nurtured with a range of stakeholders both internally and externally. Feedback as to how we perform as a Company to all our stakeholders is important and we try and continue to improve and develop systems we have in place.

Further information on what the Board does to engage with our shareholders and other stakeholders is set out on pages 15 and 16.

Risk management and internal controls

The Board has ultimate responsibility for the Company's system of internal controls and for reviewing their effectiveness. However, any such system of internal control can only provide reasonable, but not absolute, assurance against material misstatement or loss.

The Board has in place a number of controls including, but not limited to, risk assessment, monitoring, processes, written policies, clear organisational structures and reporting lines, and regular updates on the performance of these controls are provided to the Board and the Audit Committee.

The Board maintains full oversight of the Company budget and undergoes a rigorous quarterly revaluation process to provide a clear view of the Company's performance throughout the financial year.

The Board considers that the internal controls in place are appropriate and effective for the Company. At this time the Board is satisfied that an internal audit function is not needed at this stage of the Company's development; however, this matter is kept under regular review by the Audit Committee.

Further information on what the Board does to manage risk is set out on pages 31 to 33.

Company culture

The Board is committed to promoting a strong ethical and values-driven culture throughout the organisation. Following the evolution to Fintel we are reaffirming a set of values that explains who we are as a Company and what is important to us – you can read more about these within the Chair's statement on pages 5 and 6.

Our people are at the core of what we do. Having a people-oriented ethos, where teamwork and commitment are recognised, is central to the success of our strategy. We pride ourselves on nurturing talent, with a number of our colleagues being supported through professional qualifications and work-based training programmes.

We understand that people need to enjoy what they do; we recognise those who demonstrate our values both informally and through recognition schemes. We have set policies and procedures in place to ensure our colleagues know the standards that are expected of them. Where concerns are identified, we have formal processes and policies in place to investigate and address any areas where we consider individuals have not acted in an appropriate manner. The Company Secretary acts as the Company's Whistleblowing Officer and a policy is in place to enable concerns to be raised with her (or an external party if required) whilst ensuring the protection of the individual raising the concern.

FY21 Board evaluation

The Board conducts an annual internally facilitated evaluation using an online self-evaluation questionnaire. Participants are asked to score statements on a standardised scale and to provide written comments, including areas for improvement. These are then discussed and appropriate actions agreed as required. Further details are available in the Nomination Committee report on pages 45 and 46 of this report.

Ken Davy
Non-Executive Chair

ESG and Wellbeing Committee report

Imogen Joss
Chair of the ESG and Wellbeing Committee

On behalf of the Board, I am pleased to introduce our first ESG and Wellbeing Committee report.

ESG accountability and governance

In order to fully embed the principles of ESG into all areas of the business we have developed an enhanced governance structure that will drive positive change across the business. Responsibility for the overall ESG strategy lays with our Joint CEO Matt Timmins, with direct input and oversight from the Board of Directors. We have also appointed a central ESG team, providing strategic direction and guidance to help deliver the sustainability agenda across different divisions.

We have also formed an ESG and Wellbeing Committee, chaired by myself and ratified in January 2022. This direct oversight from a Board-level Committee will help us to fully integrate ESG principles within all operations and ensure that the ESG strategy remains consistent with the Company's purpose, culture and values whilst supporting long-term sustainable success.

The purpose of the ESG and Wellbeing Committee is to review the strategies, policies and performance of the Company in relation to ESG and wellbeing and, in collaboration with the Board, to drive improvement in these areas as appropriate.

Reporting

The Committee will meet at least twice per year and will report on its activities to the Board regularly, and to stakeholders in the annual report and accounts.

Duties

The main duties of the ESG and Wellbeing Committee are highlighted below and more fully set out in its terms of reference which are available at www.wearefintel.com/investors/directors-responsibilities/.

Imogen Joss
Chair of the ESG and Wellbeing Committee

“We have developed an enhanced governance structure that will drive positive change across the business.”

Fintel Board of Directors

- Oversight of ESG implementation
- Responsibility for setting Fintel's business strategy, including ESG, purpose, values and culture

Third parties

- Provide specialist expertise and resource

Fintel stakeholders

- Input into strategic priorities through questionnaires, forums and other forms of engagement

ESG and Wellbeing Committee

- Advises the Board on ESG strategy
- Monitors ESG strategy against agreed objectives
- Recommends activities to support ESG strategy

ESG team

- Implements ESG strategy across the business
- Defines and recommends activities and programmes
- Responsible for reporting against strategy and KPIs
- Advises the business as subject matter experts

Business units

- Execute programmes
- Provide regular reports on programme activity
- Provide inputs to strategy as business unit experts

ESG and Wellbeing Committee report continued

Meet our employee members

Members of the ESG and Wellbeing Committee

The members of the Committee are appointed by the Board and must consist of one Independent Non-Executive Director, one member of the Board's management team and one employee as a minimum. The founder members include me as Committee Chair, Matt Timmins (Director member) and four employee members, namely Vicky Williams (Company Secretary), Emily Blain (HR Director and Wellbeing Adviser) and Amber Lippiett and Kate Kwiatkowska (ESG subject matter experts). The Board considers that the members collectively have the balance and skills required to discharge their duties effectively.

Vicky Williams
Company Secretary

Vicky is an experienced leadership and governance professional having worked in the field for the past decade. With a lifelong passion for psychology and learning, Vicky is best known for her people-centric approach and commitment to the continuous professional development of both herself and others. A Chartered Governance Professional (FCG), Vicky also holds a Master's Degree in Professional Practice (Senior Leadership) and is a Fellow of the Chartered Management Institute.

Emily Blain
HR Director

Emily is an innovative, commercial, and future-focused, FCIPD qualified HR leader with 16 years' experience across a range of industries. She is passionate about fostering an inclusive and supportive environment in which our people feel that they can thrive. She believes in developing grown-up cultures that deliver high performance as a result of strong levels of engagement, achieved through mutual trust and accountability.

Amber Lippiett
Director of Brand

Amber is a creative brand, communications and marketing lead with 17 years' experience in the financial services and technology sectors. With a passion for building customer-led brands and propositions using audience research, she has extensive experience in developing and scaling brands and communications functions for a range of early stage, PE backed and plc businesses.

Kate Kwiatkowska
Head of ESG and Corporate Marketing

Kate is a corporate sustainability and marketing professional with a focus on retail financial services. She is passionate about embedding ESG principles into business operations and strongly believes that every business should operate in a responsible way, generating positive outcomes and ensuring sustainable futures for all. She holds a Master's Degree in Risk, Disaster and Environmental Management, and two Bachelor Degrees in Global Marketing and International Economic Relations.

Audit Committee report

Tim Clarke
Chair of the Audit Committee

"The Audit Committee provides formal and transparent arrangements for considering how to apply financial reporting and internal control principles."

On behalf of the Board, I am pleased to present the Audit Committee report for the period ended 31 December 2021.

The Audit Committee provides formal and transparent arrangements for considering how to apply financial reporting and internal control principles, and to maintain an appropriate relationship with the Company's auditor.

The Committee's role includes monitoring the integrity of the financial statements (including annual and interim accounts and results announcements), reviewing internal control and risk management systems, reviewing any changes to accounting policies, reviewing and monitoring the extent of the non-audit services undertaken by the external auditor and advising on the appointment of the external auditor.

Members of the Audit Committee

The Committee consists of three Non-Executive Directors: Gary Hughes (until September 2021), Imogen Joss and me as Chair. All of the Committee members are considered to be independent. Ken Davy attends as a guest only as he is not considered independent because of his shareholding in the Company. The Executive Directors may attend Committee meetings by invitation.

The Committee met five times during the year. All members are deemed to have the necessary ability and experience to understand financial statements and to discharge their responsibilities effectively.

The Committee meets at least once a year privately with the external auditor without management being present. As Chair of the Committee I maintain a regular dialogue with the Chief Financial Officer and his team, and with the external audit Partner.

Duties

The main duties of the Audit Committee are set out in its terms of reference. The main items of business considered by the Audit Committee during the year included:

- review and approval of the FY20 financial statements, including the receipt of the audit findings;
- review and approval of the Committee's terms of reference;
- assessment of the Committee's composition and members;
- review and approval of the 2021 interim statement, and consideration of an interim dividend;
- replacement of KPMG as the Company auditor via a tender process and the onboarding of EY as its successor;
- consideration of the independent auditor's report and management representation letter;
- review of going concern;
- review of the risk register, risk management and internal control systems;
- meeting with the external auditor without management present; and
- review of ethical conduct of business policies.

Role of the external auditor

During 2021, we announced that we would be running a process to replace KPMG as the Company's auditor. KPMG indicated that, following a commercial decision, it did not wish to participate in this process and therefore intended to tender its resignation at the time the new auditor was selected.

Audit Committee report continued

Auditor selection process

A tender and selection process, designed and led by the Audit Committee was conducted. KPMG did not participate as previously outlined. Grant Thornton was also excluded from tendering due to them not being independent from the Board. Several key criteria were considered during the tender process, namely the auditor's capability to discharge the audit, the scope of the audit and terms of engagement, auditor independence and objectivity and auditor remuneration.

Following the tender process, EY was appointed as the Company's auditor for the financial year ended 31 December 2021. Mark Morritt is the designated EY audit partner to the Company. Monitoring of the transition plans for the handover from KPMG to EY was completed with no concerns raised.

The re-appointment of EY for the financial year ending 31 December 2022 will be subject to approval by shareholders at the next annual general meeting of the Company to be held in 2022.

Auditor independence

The Audit Committee monitors the relationship with the external auditor, EY, to ensure that auditor independence and objectivity are maintained. As part of its review the Committee monitors the provision of non-audit services by the external auditor. Clearance is given for all non-audit work by the Audit Committee Chair in line with our procedures, although such clearance is only given in exceptional circumstances. No non-audit work was carried out during the period.

Audit process

The auditor prepares an audit plan for the audit of the full year annual report and accounts. The audit plan sets out the scope of the audit, areas to be targeted and audit timetable. This plan is reviewed and agreed in advance by the Audit Committee. Following the audit, the auditor presented its findings to the Audit Committee for discussion.

Internal audit

At present the Company does not have an internal audit function and the Committee believes that management is able to derive assurance as to the adequacy and effectiveness of internal controls and risk management procedures without one.

Risk management and internal controls

As described on page 40 of the Corporate governance report, the Company has established a framework of risk management and internal control systems, policies and procedures. The Audit Committee is responsible for reviewing the risk management and internal control framework and ensuring that it operates effectively. During the year, the Committee reviewed the framework, and the Committee is satisfied that the internal control systems in place are currently operating effectively.

Brexit

The Audit Committee and the wider Board are pleased to note that our prior assessment that Brexit would have limited impact on our operations has to date held true. Nonetheless, we will continue to monitor the impact of the UK's withdrawal from the EU on future regulation of the financial services industry.

Anti-bribery and whistle-blowing

The Company has in place an anti-bribery and anti-corruption policy that sets out its zero-tolerance position and provides information and guidance to those working for the Company on how to recognise and deal with bribery and corruption issues. The Company also has a nominated Whistle-blowing Officer (Vicky Williams, Company Secretary) and a documented policy to support individuals to raise any concerns confidentially and without fear of reprisal. During 2021 there were no whistle-blowing reports filed. The Committee is comfortable that the current policies are operating effectively.

Financial reporting

The Committee has reviewed with both management and the external auditor the annual financial statements, focusing on: the overall truth and fairness of the results and financial position, including the clarity of disclosures shown in the statements and their compliance with best-practice requirements; the appropriateness of the accounting policies and practices used in arriving at those results; the resolution of significant accounting judgements or of matters raised by the external auditor during the course of the annual statutory audit; and the quality of the annual report and accounts taken as a whole, including disclosures on governance, strategy, risks and remuneration, and whether it gives a fair, balanced and understandable picture of the Company. In particular, the Committee considered the impact of COVID-19 on the Group and the reporting of these impacts throughout the annual report and accounts.

The Committee also considered the use of alternative performance measures by the Group, including the appropriateness of their current use and their disclosure in the financial statements and Strategic report.

Tim Clarke
Chair of the Audit Committee

Nomination Committee report

Imogen Joss
Chair of the Nomination Committee

"The Committee continues to develop succession plans in respect of the Board to ensure that there is an ongoing review of skills."

I am pleased to present the Nomination Committee report for FY21.

The Nomination Committee has delegated authority from the Board set out in its written terms of reference, available on the Company's website, which are reviewed annually and were last updated by the Board in March 2022.

The Nomination Committee's primary objectives are to:

- ensure that a regular, thorough and unbiased evaluation is undertaken of the structure, size, composition, balance of skills, knowledge and experience of the Board;
- recommend any proposed changes to the composition of the Board and initiate and oversee the recruitment process;
- ensure the Company's adherence to applicable legal and regulatory requirements in relation to the above; and
- review the Company's compliance with applicable corporate governance regulations.

The Committee Chair reports material findings and recommendations at the next Board meeting and copies of the minutes of its meetings are circulated, where appropriate, to all Directors.

Membership of the Nomination Committee

The Committee consists of three Non-Executive Directors: Gary Hughes (until 28 September 2021), Tim Clarke and me as Chair. All of the Committee members are considered to be independent. Ken Davy and the executive management attend meetings by invitation.

No individual participates in discussion or decision making when the matter under consideration relates to themselves.

The Committee is supported by the services of the Company Secretary, who acts as secretary to the Committee, and it has full access to the Executive Directors. It is empowered to appoint search consultants and legal, tax and other professional advisers as it sees fit to assist with its work.

Key activities of the Nomination Committee during the year

The Committee met five times during the year and attendance at those meetings is shown on page 39 of the Corporate governance report.

Matters considered by the Committee in FY21 included the following material items:

- assessed the composition of the Board, including in relation to Committee chairship and membership;
- reviewed the time commitment from the Non-Executives and determined this was satisfactory;
- conducted a qualitative and quantitative Board evaluation in December 2021;
- considered and approved Ken Davy's re-appointment as Chair following Gary Hughes' departure in September 2021;
- led the search for a new Independent Non-Executive Director to replace the casual vacancy left following Gary Hughes' departure in September 2021;
- agreed the Board effectiveness review strategies;
- considered and approved the Committee report to the accounts; and
- considered and approved the Committee's terms of reference.

Nomination Committee report continued

Diversity

A range of personal strengths and industry backgrounds is represented on the Board, which is made up of one female and five male Directors. Further information on the skills and backgrounds of individual Directors can be found in the Board biography section on pages 35 and 36 of this annual report.

Senior leadership, comprising the Company Secretary, the Executive Committee and their direct reports (excluding administrative assistants), consists of 11 females and 18 males, meaning a 40% female representation.

Whilst not a formal requirement for AIM companies, the Board voluntarily reports and recognises that it does not currently meet the gender diversity target set by the Hampton-Alexander Review or the ethnic minority background diversity target of the Parker Review. As a Board we do not set any specific diversity targets, but we fully recognise the benefits of greater diversity and will continue to take account of this when considering any appointment. We will continue to ensure that we appoint the best people for the relevant roles.

In order to support enhanced diversity in the Company, all managers are required to undergo unconscious bias training.

Appointments to the Board during FY21

Imogen Joss was appointed to the Board on 5 January 2021 and David Thompson was appointed as Chief Financial Officer in April 2021.

Resignations from the Board during FY21

As previously reported Gary Hughes stepped down from the Board in September 2021 and Gareth Hague stepped down from the Board on 31 March 2021. A search is underway, led by the Nomination Committee and supported by Russell Reynolds, to select a replacement Independent Non-Executive Director to join the Board.

Talent assessment and succession planning

The Committee continues to develop succession plans in respect of the Board to ensure that there is an ongoing review of the skills and experience on the Board. This process led to the selection and appointment of both Imogen Joss and David Thompson as well as the approval of the succession plans for the Chair previously noted.

The Committee also provides guidance and monitors succession plans, talent assessment and development plans at senior and mid-management level.

A comprehensive programme to develop individual development plans for key individuals was further advanced during the year with the creation of our Executive Leadership Team. Biographies of the members of the Executive Leadership Team are available on our website. Recognising, developing and retaining talent within the Company are essential for the continued sustainability of the business and a number of key promotions and hires were made during the year to further strengthen our team profile.

Committee evaluation

The Committee's performance is internally evaluated by the members of the Committee by way of a self-evaluation questionnaire and results are considered by the Committee and the Board. No significant issues that require improvement have been identified and the Committee and the Board remain satisfied that it operated effectively during the year.

Evaluation of the composition, structure and functioning of the Board

The evaluation of the Board is also carried out internally by way of a self-evaluation questionnaire. The questionnaire includes a focus on Board composition and expertise, the Board's role in setting strategy, its understanding of risks facing the Company, succession planning and the effectiveness of the Board Committees. The Board regards the evaluation process as an important way of monitoring the progress made over the years. No significant issues that require improvement are highlighted; however, objectives have been agreed for FY22 as part of our commitment to continuous improvement.

As Fintel continues to develop, all Directors will be consulted on the composition of the Board in the context of this growth. This includes its size, the appropriate range of skills and the balance between Executive and Non-Executive Directors, all of which are assessed as part of the annual Board evaluation process.

Independence and re-election to the Board

As outlined above, the composition of the Board is reviewed annually by the Committee to ensure that there is an effective balance of skills, experience and knowledge and that the Board comprises an appropriate proportion of Independent Directors.

Ken Davy is not considered independent by the Board and processes are in place to ensure any conflicts arising from Ken's material shareholding are closely managed. The Board currently has two Independent Directors, namely Tim Clarke and me as Senior Independent Non-Executive Director. The Board undergoes a rigorous assessment annually to affirm the independent status of its Non-Executive Directors. This assessment considers a number of areas including tenure, external appointments, conflicts of interests and related party transactions. The Board recognises Institutional Shareholder Services ("ISS") voting guidance has highlighted independence concerns over Tim Clarke due to the Company's use of Park Place Corporate Finance ("PPCF"), a company of which Tim is a Director. The Board has strict documented procedures in place to ensure Tim is not involved in any discussions between Fintel and PPCF, and Tim abstains from any discussions on the selection of corporate advisers for transactions. An engagement with PPCF, which commenced in 2020, was concluded in early 2021 and is disclosed in the financial statements; see note 34 on page 90. No new engagements were made with PPCF during the year. The Board therefore strictly reaffirms its view that Tim Clarke remains independent.

In accordance with best practice, all Directors are offering themselves for re-election by shareholders at the AGM. Biographical information on each of the Directors can be found on pages 35 and 36.

Imogen Joss
Chair of the Nomination Committee

Remuneration report

Imogen Joss
Chair of the Remuneration Committee

Delivering a new incentive plan for our executive and senior leadership to deliver long-term value creation for shareholders."

Gary Hughes stepped down as Chair of the Remuneration Committee on 2 June 2021. I replaced Gary as Chair of the Remuneration Committee from this date. I am pleased to present this Remuneration report, which sets out the remuneration policy and the remuneration paid to the Directors for the period.

As an AIM-listed company, Fintel plc is not required under section 420(1) of the Companies Act 2006 to prepare a Directors' remuneration report for each financial year of the Company. Fintel plc makes the following disclosures voluntarily. The content of this report is unaudited unless stated.

Members of the Remuneration Committee

The Remuneration Committee comprises Independent Non-Executive Directors only. During the year, Tim Clarke, Gary Hughes (until 29 September 2021) and I were members of the Committee. The Remuneration Committee met 10 times during the year and the attendance at those meetings is shown on page 39. The Company Secretary attends all the Committee meetings as secretary to the Committee and, by invitation, they are also attended by the Joint Chief Executive Officers, Chief Financial Officer, Group Human Resources ("HR") Director and external professional advisers, for all or part of any meeting as and when appropriate and necessary. No Director is involved in any decision relating to their own remuneration.

Roles and responsibilities of the Remuneration Committee

The Remuneration Committee is responsible for determining the remuneration and other terms of employment for the Executive Directors of Fintel plc and overseeing the broader remuneration structure of the Company to ensure it is consistent and is in line with our overall strategic objectives.

Advisers

During the year the Company did not utilise the services of any remuneration consultants. In 2022, the Company has engaged independent consultants to provide advice to the Committee on matters relating to executive remuneration and all-employee share awards. The consultants are considered to be independent of both the Board and each of the Executive and Non-Executive Directors. It has not provided any other services to the Directors or to the Company and its advice is therefore considered to be objective and independent.

Remuneration policy

The remuneration of Executive Directors is determined by the Committee and the remuneration of the Chair and the Non-Executive Directors is reviewed and approved by the full Board of Directors. The key objectives of the Committee in determining the overall remuneration of Executive Directors are:

- the recruitment, retention and incentivisation of executive management of a high calibre; and
- the alignment of executive management reward with the Company's strategy and shareholder interests.

The remuneration packages of Executive Directors comprise the following elements: basic salary, standard executive benefits, annual bonus, standard pension contributions and longer-term share-based incentives. Basic salaries for Executive Directors are reviewed annually having regard to individual performance and market practice. In most cases benefits provided to Executive Directors comprise death in service and critical illness insurance and car allowances. Details of emoluments for the Directors of Fintel plc are set out on page 50.

Remuneration report continued

Activity during the year

- Reviewed and approved the Directors' remuneration report in the FY20 annual report and accounts
- Reviewed the financial and strategic FY21 bonus metrics and targets
- Discussed and approved the FY21 executive individual cash bonus payments
- Discussed and considered gender pay gap reporting
- Discussed and approved the design of a new long-term incentive plan (see Value Builder Plan)
- Approved the valuation of the put notices served on the Company in relation to the Management Incentive Plan

Directors' service contracts

Under the terms of the service agreements in place with the Executive Directors, 12 months' written notice must be given by either party to terminate that appointment. Under the terms of the service agreements in place with the Non-Executive Directors, six months' written notice must be given by either party to terminate that appointment.

Directors' emoluments (audited)

Emoluments of the Directors for the year ended 31 December 2021 are shown in the table on page 50. Related party transactions involving Directors are disclosed in note 34 to the financial statements.

Executive annual bonuses

Executive bonuses are designed to ensure alignment to the successful execution and delivery of the Company's annual plan, whilst delivering good customer and colleague engagement. They are also designed to attract and retain key executives as we further build the management capability of the Company. Executive Directors are eligible for a maximum cash bonus of 100% of base salary which becomes payable if certain financial and non-financial targets are met. The Remuneration Committee also retains its right to provide special discretionary bonuses where deemed appropriate – though the incidence of these are limited and tightly controlled.

Bonuses quoted in the table on page 50 refer to performance awards based on the financial year ended 31 December 2021 which were paid in March 2022. For the financial year ended 31 December 2021 an award of 12.5% of base salary was made to each of the Executive Directors (pro-rated to 11% for Chief Financial Officer) as a result of meeting the personal objectives set by the Board. The Committee took into account the exceptional contribution, commitment and effort that the two strategic disposals required from all three Executive Directors, over and above their normal duties during what has been a strong year. The full potential award of 100% of salary was not delivered due to some of the internal financial targets being marginally missed during the year.

Directors' interests

Details of the Directors' shareholdings are included in the Directors' report on pages 51 and 52.

Share price

The market price of the Company's shares on 31 December 2021 was 229 pence per share. The highest and lowest market prices during the year were 255 pence and 165 pence respectively.

Share options and incentive schemes (audited)

During the year a number of share option and incentive schemes were created or expanded, each designed to promote the long-term performance of the Company and, importantly, a sustained increase in shareholder value. Details of options for Directors who served during the year are as follows:

			Grant date	Exercise date	Term	Option price
Matt Timmins	SAYE	10,588 shares under option	17 October 2018	1 December 2021	3 years	£1.70
Gareth Hague	SAYE	5,294 shares under option	17 October 2018	Lapsed	3 years	£1.70
	SAYE	3,417 shares under option	23 October 2019	Lapsed	3 years	£1.58
	CSOP	17,647 shares under option	4 April 2018	24 May 2021	3 years	£1.70
	CSOP (NTA)	90,791 shares under option	27 September 2019	24 May 2021	19 months	£0.01
	CSOP (NTA)	85,106 shares under option	11 March 2020	24 May 2021	13 months	£0.01

As of 31 December 2021, no current Directors of the Company have shares remaining under option.

Remuneration report continued

Management Incentive Plan

On 4 April 2018, the Company established the Management Incentive Plan ("MIP") which invited eligible employees to subscribe for A shares in the Company's subsidiary Simply Biz Limited. Participants had a put option to sell the A shares to the Company in exchange for Ordinary Shares of the Company at any point between three years and ten years after the date of grant, provided that they were still employed (or treated as a good leaver) and an equity hurdle was met. If the equity hurdle was achieved, the A shares were convertible into shares of the Company, based on 15% of the value created above 105% of the market capitalisation at IPO, subject to a 7.35% dilution cap on the issued share capital at the point of vesting. The MIP became capable of vesting on 4 April 2021. On 10 November 2021, the Company issued 5,232,335 new Ordinary Shares of 1 pence each in the Company following the conversion of the A shares.

The A shares were converted via service of a put notice by Neil Stevens (Joint Chief Executive Officer), Matt Timmins (Joint Chief Executive Officer), Gary Kershaw (Group Compliance Director) and one former employee as a good leaver, Sarah Turvey (former Chief Operating Officer) (together the "MIP Participants").

Disclosed below are Directors who served during the year who received shares following conversion of the A shares.

Name	Number and class of shares in Simply Biz Limited subscribed to	Number of MIP shares issued
Matt Timmins	750 A1 shares	1,970,213
Neil Stevens	750 A1 shares	1,970,213

The Management Incentive Plan ("MIP") has been satisfied in full via the allotment of shares. No further awards will be made under the MIP and the scheme is therefore closed.

Value Builder Plan

Further details can be found in note 28 to the financial statements. In November 2021, the Company implemented a new Value Builder Plan ("Value Builder" or "VB Plan"). The VB Plan was created, following extensive consultation with many of the Company's shareholders, to incentivise our executive and senior teams to deliver long-term value creation for shareholders. The VB Plan creates a distributable value pot ("Value Pot"), the size of which is determined as being a fixed proportion of the growth in the market capitalisation of the Company over three-year performance periods. It is the intention to base the VB Plan on annual awards ("Tranches"), and the first Tranche has a performance period from 1 May 2021 to 30 April 2024. The size of the Value Pot in any one Tranche is set at 5.5% of the growth in market capitalisation achieved in the relevant performance period. In addition, the awards will be subject to a floor of earnings per share ("EPS") growth, set by the Remuneration Committee ("RemCo").

The Value Pot for each Tranche will be allocated at the discretion of the RemCo, and will consist of each participant receiving a fixed allocation of units ("Units"), from a total of 100 notional Units. Any unallocated Units may be allocated later at the RemCo's discretion.

Each annual award will allow for up to a two-year vesting window following the end of the respective performance period, and the RemCo will retain the authority to determine whether to make settlement (which will be settled net of any income tax or National Insurance arising) in Ordinary Shares in Fintel plc ("Fintel Shares") or in cash. The RemCo has full discretion to amend the terms of the VB Plan to take account of, for example, corporate activities such as acquisitions to ensure the performance targets remain appropriate.

On 29 November 2021, the first awards were allocated under the VB Plan ("Tranche 1"). The value that will accrue under Tranche 1 is fixed at 5.5% of the growth in market capitalisation between 1 May 2021 and 30 April 2024.

42 Units were allocated to Directors in the amounts listed in the table below and 40 Units were allocated to other persons discharging managerial responsibilities ("PDMRs"), details of which are in the disclosure table below. An additional 18 Units were allocated amongst 18 key personnel within the Company (non-PDMRs).

Director	Role	Number of Units
Neil Stevens	Joint Chief Executive Officer	14
Matt Timmins	Joint Chief Executive Officer	14
David Thompson	Chief Financial Officer	14

Remuneration report continued

Pension contributions (audited)

During the year, the Company made annual pension contributions for Executive Directors to personal pension schemes as outlined in the table below.

Non-Executive Directors

The fees of the Non-Executive Directors are determined by the full Board. The Non-Executive Directors are not eligible for bonuses, pension benefits or share options.

Directors' emoluments table (audited)

Role	Name	Salary received 2021 £000*	Contractual salary 2021 £000	Benefits 2021 £000	Bonuses 2021 £000	Loss of office 2021 £000	Employer's pension 2021 £000	Total emoluments 2021 £000	Total emoluments 2020 £000
Non-Executive Chair	Ken Davy	**110**	**110**	**—**	**—**	**—**	**—**	**110**	124
Executive	Neil Stevens	**300**	**300**	**7**	**38**	**—**	**2**	**347**	472
	Matt Timmins	**300**	**300**	**7**	**38**	**—**	**2**	**347**	472
	Gareth Hague*	**72**	**180**	**—**	**—**	**—**	**2**	**74**	355
	David Thompson**	**169**	**225**	**—**	**25**	**—**	**3**	**197**	—
Non-Executive	Tim Clarke	**65**	**65**	**—**	**—**	**—**	**—**	**65**	62
	Gary Hughes***	**74**	**110**	**—**	**—**	**—**	**—**	**74**	74
	Imogen Joss****	**65**	**65**	**—**	**—**	**—**	**—**	**65**	—

* Gareth Hague stepped down from the Board on 31 March 2021.

** David Thompson joined the Board on 1 April 2021.

*** Gary Hughes stepped down from the Board on 28 September 2021.

**** Imogen Joss joined the Board on 5 January 2021.

Imogen Joss
Chair of the Remuneration Committee

Directors' report

The Directors submit their annual report on the affairs of the Company together with the financial statements and Independent auditor's report for the year ended 31 December 2021. This Directors' report sets out the information required to be disclosed by the Company in compliance with the Companies Act 2006. The Strategic report (found on pages 1 to 34) and the Corporate governance report (found on pages 37 to 40) are incorporated by reference into this Directors' report and should be read as part of this report. The Strategic report contains details of the Group's business model and strategic priorities and enables shareholders to assess how the Directors have discharged their duty under section 172 of the Companies Act 2006.

Principal activity

Fintel plc (the "Company") is incorporated in England and Wales. The financial statements consolidate the results and financial position of the Company and its subsidiary undertakings (the "Group"). Fintel plc is the ultimate parent company of the Group and trades principally through its subsidiary undertakings. Fintel plc's principal activity is that of a holding company. The principal activity of the Group during the year was the provision of intermediary services, distribution channels and research and Fintech to the retail financial services sector. Subsidiaries of the Company are listed on page 81.

Review of business and future developments

The Chair's statement (pages 5 and 6), the Joint Chief Executive Officers' statement (pages 7 to 10) and the Financial review (pages 28 and 30) report on the performance of the Company during the year ended 31 December 2021 and its future developments.

For details of the Group's use of financial instruments, financial risk management and exposure to interest rate risk, credit risk and liquidity risk, see note 3 to the financial statements.

Articles of association

The Company's articles of association, which may only be amended by a special resolution at a general meeting of the shareholders, can be found on our website at www.wearefintel.com/investors/aim-rule-26.

Directors

The Directors who held office during the year and up to the date of signing this report were as follows:

KE Davy	D Thompson (appointed 1 April 2021)
ML Timmins	GR Hague (resigned 31 March 2021)
NM Stevens	G Hughes (resigned 28 September 2021)
TP Clarke	
I Joss (appointed 5 January 2021)	

Directors' shareholdings (audited)

The Directors who held office at 31 December 2021 had the following interests in the shares of the Company as at 31 December 2021:

	Number of Ordinary Shares held	Percentage of issued Ordinary Share capital
KE Davy*	26,137,774	25.41%
ML Timmins**	3,723,213	3.64%
NM Stevens	3,707,463	3.60%
I Joss	36,000	0.03%
TP Clarke	17,202	0.02%
D Thompson	23,673	0.02%

* Includes all shares held in Trusts managed by Ken Davy & Estates where Ken Davy is the sole executor and beneficiary.

** Includes shares held by Austin Timmins, a person closely associated with Matt Timmins.

Significant shareholders

The Company is informed that, at 31 December 2021, individual registered shareholdings of more than 3% of the Company's issued share capital were as follows:

	Number of Ordinary Shares held	Percentage of issued Ordinary Share capital
KE Davy*	26,137,774	25.41%
Liontrust Asset Management	11,825,711	11.49%
Gresham House Asset Management	9,097,574	8.84%
FIL Investments International	6,821,599	6.63%
Slater Investments	5,936,661	5.77%
Schroder Investment Management	4,221,964	4.10%
Franklin Templeton Investments	3,947,072	3.84%
ML Timmins**	3,723,213	3.62%
NM Stevens	3,707,463	3.60%

* Includes all shares held in Trusts managed by Ken Davy & Estates where Ken Davy is the sole executor and beneficiary.

** Includes shares held by Austin Timmins, a person closely associated with Matt Timmins.

Employees

It is the policy of the Company that all employees shall be given equal opportunities in all areas of employment.

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

The Company places considerable value on the involvement of its employees and has continued to keep them involved in matters affecting them as employees and on various factors affecting the performance of the Company. This is achieved through processes of communication and participation. This involves the provision of information through normal management channels including regular face-to-face briefings from the members of the Board. Employees are consulted on a wide range of matters affecting their current and future interests.

Political contributions

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the year.

Policy and practice on payment of creditors

It is the policy of the Company to agree terms and conditions for our business transactions with suppliers. The Company seeks to abide by the payment terms agreed with suppliers whenever it is satisfied that the supplier has provided the goods or services in line with the agreed terms and conditions. Where specific credit terms are not agreed with a supplier, the Company's policy is to pay to the supplier's normal terms. The Company reports on its payment practices twice a year; reports are published at www.check-payment-practices.service.gov.uk/company/09619906/reports.

Research and development

Company research and development activities relate to IT product development.

Directors' report continued

Energy consumption and efficiency

The Company is committed to reducing our environmental impact by investing in the digitisation and efficiency of our services. More information can be found on page 27.

Annual general meeting

The annual general meeting of the Company is to be held on 17 March 2022. The notice of the meeting has been provided to shareholders at the back of this report.

Dividend

The Board is proposing a full year dividend in respect of 2021 of 2 pence per share, payable on 7 June 2022, to shareholders on the register on 29 April 2022.

Health and safety

The health and welfare of our employees is paramount. We carry out regular health and safety training and assessments for our staff, who are predominantly desk based in nature. The Directors receive regular health and safety reports which include all areas of risk and RIDDOR within the Company.

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic report.

Auditor

As detailed on page 44, the Audit Committee recommended, and the Board approved, the proposal that Ernst & Young LLP be appointed as auditor of the Company at the AGM following the resignation of KPMG in early 2021. Ernst & Young LLP has expressed its willingness to hold office as auditor and a resolution to appoint Ernst & Young LLP as the Company's auditor will therefore be proposed to shareholders at the AGM. Each of the Directors at the date of approval of the annual report and accounts 2021 confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- he or she has taken all the steps that ought to be taken by a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

By order of the Board

NM Stevens
Director
21 March 2022

ML Timmins
Director
21 March 2022

Statement of Directors' responsibilities in respect of the annual report and the financial statements

The Directors are responsible for preparing the annual report and the Group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent company financial statements for each financial year. Under the AIM Rules of the London Stock Exchange they are required to prepare the Group financial statements in accordance with UK-adopted International Accounting Standards ("UK-adopted IAS") and applicable law and they have elected to prepare the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101").

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent company and of the Group's profit or loss for that period. In preparing each of the Group and parent company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- in respect of the Group financial statements, state whether they have been prepared in accordance with UK-adopted IAS subject to any material departures disclosed and explained in the financial statements;
- in respect of the parent company financial statements, state whether applicable UK Accounting standards including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic report and a Directors' report that comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This responsibility statement was approved by the Board of Directors on 21 March 2022 and signed on its behalf below.

By order of the Board

Vicky Williams
Company Secretary
21 March 2022

Independent auditor's report

to the members of Fintel plc (formerly The SimplyBiz Group plc)

Opinion

In our opinion:

- Fintel plc's group financial statements and parent company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the parent company's affairs as at 31/12/2021 and of the group's profit for the year then ended.
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards.
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Fintel plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise:

Group	Parent company
Consolidated statement of financial position as at 31 December 2021	Company statement of financial position as at 31 December 2021
Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2021	
Consolidated statement of changes in equity for the year ended 31 December 2021	Company statement of changes in equity for the year ended 31 December 2021
Consolidated statement of cash flows for the year ended 31 December 2021	
Related notes 1 to 36 to the financial statements, including a summary of significant accounting policies	Related notes 1 to 36 to the financial statements, including a summary of significant accounting policies

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group and parent company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining management's latest financial models that support the Board's assessment and conclusions with respect to the statement of going concern, which covers the period to 31 August 2023. We inspected these financial models to assess their consistency with our understanding of the operations of the group and tested the mathematical integrity of the models. We have also agreed the covenant requirements of the underlying Revolving Credit Facility ('RCF') agreement and recalculated them at year end and at each measurement date through the going concern review period. We also confirmed the renewal date of March 2024.
- Assessing management's historical forecasting accuracy by comparing the actual results of the group to the budgeted amounts and evaluating the reasons for variances identified in the prior year. This includes validating the current cash position and comparing this to the forecast cash position.
- Agreeing key assumptions such as revenue growth within the cash flow forecast to underlying supporting information such as Board approved budgets and ensuring that the information is consist with forecasts used in other accounting estimates and judgements, such as the forecasts used within management's goodwill impairment assessments.
- Challenging management's assumptions included in the base case and various downside models including considering any contra indicators identified through our procedures including from our considerations of external data. The key assumptions being the forecast revenue and EBITDA, the availability of the RCF facility, and the extent of sensitivities applied within the downside scenarios. We understood and challenged the rationale for the downside factors incorporated into these financial models and the range of sensitivities applied.

Independent auditor's report continued

to the members of Fintel plc (formerly The SimplyBiz Group plc)

Conclusions relating to going concern continued

- Reviewing and evaluating the outcome of management's reverse stress test which identifies the reduction in forecast revenue and EBITDA required to cause the group to breach its loan covenants and/or exhaust their liquidity.
- Considering the reasonableness and feasibility of mitigating actions that management has identified should downside scenarios occur. This includes assessing the extent of the group's non-operating cash outflows that could be reduced including expenditure on development activities and dividends.
- Reviewing the group's going concern disclosures included in the annual report in order to assess whether the disclosures were appropriate and in conformity with the accounting standards.

We observed that at 31 December 2021 the group had cash and cash equivalents of £9.4m in addition to undrawn committed facilities of £38.0m expiring in March 2024. In addition, we observed that the directors have identified revenue as the most sensitive assumption in their Going Concern assessment. They consider the significance of the reduction in revenues required to breach covenants within the reverse stress test to be remote given the trading performance of the business throughout the COVID-19 period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period ending 31 August 2023.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	– We performed an audit of the complete financial information of 8 full scope components and audit procedures on specific balances for a further 2 components. – The components where we performed full or specified audit procedures accounted for 99% of profit before tax, 97% of revenue and 98% of total assets.
Key audit matters ("KAM")	– Inappropriate revenue recognition arising from manual adjustments to revenue including inaccurate accrual and deferral of revenue. – Inappropriate assessment of the recoverability of goodwill within the Research and Fintech CGU.
Materiality	– Overall group materiality of £600,000 which represents 5% of profit before tax adjusted for non-recurring items.

An overview of the scope of the parent company and group audits

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each company within the group. Taken together, this enables us to form an opinion on the group's consolidated financial statements. We take into account size, risk profile, the organisation of the group and effectiveness of group-wide controls, changes in the business environment and other factors when assessing the level of work to be performed at each company.

In assessing the risk of material misstatement to the group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of the 23 reporting components of the group, we selected 10 components covering entities within the United Kingdom, which represent the principal business units within the group.

Of the 10 components selected, we performed an audit of the complete financial information of 8 components ("full scope components") which were selected based on their size or risk characteristics. For the remaining 2 components ("specified procedure scope components"), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

Independent auditor's report continued

to the members of Fintel plc (formerly The SimplyBiz Group plc)

An overview of the scope of the parent company and group audits continued

Tailoring the scope continued

The reporting components where we performed audit procedures accounted for 99% (2020: 88%) of the group's profit before tax, 97% (2020: 94%) of the group's revenue and 98% (2020: 99%) of the group's total assets. For the current year, the full scope components contributed 98% (2020: 88%) of the group's profit before tax, 91% (2020: 94%) of the group's revenue and 96% (2020: 99%) of the group's total assets. The components for which specified procedures were performed contributed 1% of the group's profit before tax, 6% of the group's revenue and 2% of the group's total assets. The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the group.

Of the remaining 13 components that together represent 1% of the group's profit before tax, none are individually greater than 1% of the group's profit before tax. For these components, we performed other procedures, including analytical review procedures.

Involvement with component teams

In establishing our overall approach to the group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team. All audit procedures over the 10 in scope components were performed directly by the primary audit engagement team.

Climate change

There has been increasing interest from stakeholders as to how climate change will impact companies. Given the nature of the business, the group's activities have a relatively small impact on the environment when compared to companies that operate in more resource intensive industries. The group has determined that the most significant future impacts from climate change on its operations will be from reducing the environmental impact of the business operations through management of energy, waste and greenhouse gas emissions.

These are explained on pages 21 to 27, which form part of the "Other information", rather than the audited financial statements. Our procedures on these disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated. As disclosed in note 2 to the financial statements, in the group's view climate change does not represent a material estimation uncertainty.

Our audit effort in considering climate change was focused on considering whether the effects of climate risks have been appropriately reflected in asset values and associated disclosures where values are determined through modelling future cash flows, being the impairment tests of the cash generating units. We also challenged the Directors' considerations of climate change in their assessment of going concern and associated disclosures.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
Inappropriate revenue recognition arising from manual adjustments to revenue including inaccurate accrual and deferral of revenue. Refer to the Audit Committee Report (page 43); Accounting policies (note 2.7 page 65); and note 5 of the Consolidated Financial Statements (page 72). In 2021 the group reported total revenue of £63.9m (2020: £61.0m). For a number of the group's revenue streams there is a difference in timing between billing and fulfilling the associated performance obligations. This mismatch in timing generated £1.4m (2020: £1.9m) of accrued income and £8.1m (2020: £7.3m) of deferred income at the balance sheet date.	Outlined below are the procedures we have performed in response to the identified risk for all significant revenue streams: – We have performed walkthroughs of each significant revenue stream and understood the design effectiveness of key controls. – We have utilised data analytics to analyse the full population of transactions recorded through the revenue recognition to cash collection process. As part of this procedure, we assessed the appropriateness of the amount, timing, and nature of manual journal postings impacting revenue. – We have tested a sample of transactions to underlying support including customer contract, where available, and cash receipts where remitted. Our representative sample of revenue transactions was selected from the full population of transactions. – We performed analysis of the gross or operating margin to understand fluctuations in the business performance and investigated movements outside of our expectations.

Independent auditor's report continued

to the members of Fintel plc (formerly The SimplyBiz Group plc)

Key audit matters continued

Risk	Our response to the risk
Inappropriate revenue recognition arising from manual adjustments to revenue including inaccurate accrual and deferral of revenue. continued Due to the manual nature of aspects of the revenue recognition process, we have identified a significant risk of misstatement in respect of revenue recognised through manual adjustments, including as a result of inaccurate accrual or deferral of revenue. As the group has multiple revenue streams, we have designed our procedures to respond to the specific features of each revenue stream. For all significant revenue streams, we have identified a risk relating to manual adjustments to revenue recorded throughout the year. For those revenue streams generating significant accrued and deferred revenue we have also identified a risk relating to the appropriateness of the manual adjustments recorded to accrue or defer revenue.	For revenue streams where the timing of billing and fulfilment of the performance obligations differ resulting in significant accrued and deferred revenue, we have performed the following additional procedures where we have assessed them to be relevant based on the nature of the revenue stream: – We have selected a sample of accrued revenue balances to test using a lower testing threshold which results in an increased sample size. For each item we have obtained supporting documentation, including third party evidence and contracts where available, in order to challenge the appropriateness of the accrued amount. – We have selected a representative sample of deferred revenue transactions using a lower testing threshold which results in an increased sample size. For each item we have validated the cash receipt and then performed procedures to challenge the basis of deferral. – For revenue streams with a high volume of individual transactions being deferred, we have performed tests of detail for a sample of transactions as well as developing an expectation of the deferral amount for each revenue stream. This expectation is based on our understanding of contract terms, timing of billing and the periods over which services are delivered. From this analysis, where we identified deferrals of revenue that were outside of our expectations and further investigated these, and where appropriate inspected underlying documentation. We performed audit procedures over this risk area, which covered 91% of the group's total revenue. We also considered the adequacy of the group's disclosures relating to revenue recognition in notes 4 (critical accounting estimates and judgements) and note 5 (revenue). **Key observations communicated to the Audit Committee** Based on the procedures performed we consider the recognition of revenue to be appropriate for the year ended 31 December 2021. We did not identify any misstatements due to inappropriate revenue recognition. Furthermore, we consider the disclosures to be appropriate.

Risk	Our response to the risk

Inappropriate assessment of the recoverability of goodwill within the Research and Fintech cash generating unit ("CGU").
 	
Refer to the Audit Committee Report (page 43); Accounting policies (page 68); and note 18 of the Consolidated Financial Statements (page 80).
 	
The Research and Fintech CGU has associated goodwill of £48.0m (2020: £48.0m) as at 31 December 2021.
 	
We have recognised the recoverability of goodwill related to this CGU as a key audit matter due to the sensitivity of the 'Value in Use' ("VIU") of this CGU to changes in key assumptions including forecast growth rates, the long-term growth rate, and the discount rate.
	Management has performed its annual impairment assessment as at 31 December 2021. Outlined below are the procedures we have performed in response to the identified risk:
	
	– We have tested the methodology applied in the VIU calculations and assessed this against the requirements of IAS 36, Impairment of Assets, including the appropriateness of the forecast period and mathematical accuracy of the model.
	– We assessed the appropriateness of the assets and liabilities applied to the CGU including the inclusion of deferred tax liabilities relating to the separately identified intangible assets recognised on acquisition of the CGU.
	– We evaluated the key underlying assumptions used in the valuation model, including appropriateness of assets included within the CGU's carrying value, appropriateness of cash flows included within the future forecast cash flows, growth rates and discount rates applied.
	– We assessed the appropriateness of the forecast cash flows by:
	  - Assessing managements historical budgeting accuracy.
	  - Evaluating the growth rates assumed in the forecast compared to the historical growth rates and external forward-looking data.
	  - Comparing management's long-term growth rate to forecasts of UK economic growth and sector specific growth rates.
	– In conjunction with our valuation specialists we assessed the discount rate applied by management by comparing this to our independent estimation of the appropriate discount rate.
	– We performed sensitivity analysis on the key assumptions within management's model to understand whether any reasonably possible scenarios would cause an impairment of goodwill if they occurred.
	
	We also considered the adequacy of the group's disclosures including whether disclosure of sensitivity was required.
	
	Key observations communicated to the Audit Committee
	We concluded that no impairment of goodwill is required in the current year. We have concluded that the methodology applied is reasonable, that the forecast period is appropriate and that the impairment models are mathematically accurate.
	
	Management has also established a reliable methodology for determining the underlying assumptions, including forecast growth rates and discount rates.
	
	Furthermore, we consider the financial statement disclosures to be appropriate.

Independent auditor's report continued

to the members of Fintel plc (formerly The SimplyBiz Group plc)

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the group to be £600,000 (2020: £500,000) which is 5% (2020: 4.5% of normalised profit before tax) of profit before tax adjusted for non-recurring items. We believe that profit before tax adjusted for non-recurring items provides us with the most relevant performance measure to the stakeholders of the entity.

We determined materiality for the parent company to be £1,170,000 which is 1% of total equity (2020: £490,000 set at 0.3% of Total Assets). As the parent company is a non-trading holding company, we consider equity to be the most appropriate basis for calculating materiality. Any balances in the parent company financial statements that were relevant to our audit of the group financial statements were audited using an allocation of group's performance materiality.

Starting basis	– Group profit before tax of £19.9m
Adjustments	– Gain on disposal of Zest and Verbatim of £7.8m
Materiality	– Totals £12.1m profit before tax adjusted for non-recurring items – Materiality of £0.6m (5% of group profit before tax adjusted for non-recurring items)

During the course of our audit, we reassessed initial materiality and no change was required.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessment, together with our assessment of the group's overall control environment, and this being our first year as auditor of the group our judgement was that performance materiality was 50% (2020: 65%) of our planning materiality, namely £300,000 (2020: £325,000). We have set performance materiality at the lower end of our percentage range due to this being our first year as auditor of the group.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was £60,000 to £300,000 (2020: £100,000 to £300,000).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £30,000 (2020: £25,000), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report set out on, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Independent auditor's report continued

to the members of Fintel plc (formerly The SimplyBiz Group plc)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 52, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are those that relate to the reporting frameworks being UK adopted international accounting standards for the group financial statements, and as regards the parent company financial statements, United Kingdom Accounting Standards, FRS 101 "Reduced Disclosure Framework, the Companies Act 2006, the QCA Corporate Governance Code, and the relevant tax compliance regulations in the UK. We understood how Fintel plc is complying with those frameworks by initially making inquiries of relevant members of management, as well as those charged with governance. We have further understood the group's compliance with those frameworks through review of minutes of the Board and key committees. Finally, through our detailed audit procedures we have considered whether any other evidence has been identified that indicates non-compliance with the relevant laws and regulations has occurred.
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur by: understanding the group's performance against internal key performance indicators used when calculating management's variable remuneration; identifying key judgements and estimates that can materially impact the financial statements; and understanding the controls and processes in place for the prevention and detection of fraudulent financial reporting.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures included those outlined in the revenue KAM above, as well as testing manual journals recorded at the component and consolidation level, understanding unusual and one-off transactions, and where relevant corroborating the basis of accounting judgements and estimates with employees outside of the finance functions.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Morritt (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Leeds
21 March 2022

Consolidated statement of profit or loss and other comprehensive income

for the year ended 31 December 2021

	Note	**2021 Underlying £m**	**2021 Underlying adjustments £m**	**2021 Year ended 31 December £m**	2020 Underlying £m	2020 Underlying adjustments £m	2020 Year ended 31 December £m
Revenue	5-6	**63.9**	**—**	**63.9**	61.0	—	61.0
Operating expenses	7-10	**(49.1)**	**—**	**(49.1)**	(46.8)	(0.8)	(47.6)
Amortisation of other intangible assets	18	**—**	**(2.0)**	**(2.0)**	—	(2.0)	(2.0)
Gain on disposal of subsidiary	20	**—**	**4.3**	**4.3**	—	—	—
Gain on disposal of operations	20	**—**	**3.5**	**3.5**	—	—	—
Group operating profit		**14.8**	**5.8**	**20.6**	14.2	(2.8)	11.4
Finance income	11	**—**	**—**	**—**	0.1	—	0.1
Finance expense	12	**(0.7)**	**—**	**(0.7)**	(1.3)	—	(1.3)
Profit before taxation		**14.1**	**5.8**	**19.9**	13.0	(2.8)	10.2
Taxation	14	**(3.6)**	**(0.7)**	**(4.3)**	(2.0)	—	(2.0)
Profit for the financial year		**10.5**	**5.1**	**15.6**	11.0	(2.8)	8.2
Profit attributable to shareholders:							
Owners of the Company				**15.4**			8.1
Non-controlling interests				**0.2**			0.1
				15.6			8.2
Earnings per share – adjusted (pence)	13			**10.5p**			11.3p
Earnings per share – basic (pence)	13			**15.7p**			8.3p
Earnings per share – diluted (pence)	13			**15.7p**			8.3p

There are no items to be included in other comprehensive income in the current year or preceding year.

The accompanying notes form part of the financial statements.

Consolidated statement of financial position

as at 31 December 2021

	Note	31 December 2021 £m	31 December 2021 £m	31 December 2020 £m	31 December 2020 £m
Non-current assets					
Property, plant and equipment	17	**1.3**		1.5	
Lease assets	17	**3.6**		5.0	
Intangible assets and goodwill	18	**96.6**		105.4	
Trade and other receivables	21	**2.6**		–	
Total non-current assets			**104.1**		111.9
Current assets					
Trade and other receivables	21	**9.8**		10.2	
Deferred tax asset	26	**–**		0.3	
Cash and cash equivalents	22	**9.4**		10.3	
Total current assets			**19.2**		20.8
Total assets			**123.3**		132.7
Equity and liabilities					
Equity					
Share capital	27	**1.0**		1.0	
Share premium account	27	**65.6**		64.8	
Other reserves	29	**(52.3)**		(52.2)	
Retained earnings		**73.9**		61.0	
Equity attributable to the owners of the Company			**88.2**		74.6
Non-controlling interest			**0.3**		0.2
Total equity			**88.5**		74.8
Liabilities					
Current liabilities					
Trade and other payables	23	**17.0**		17.5	
Lease liabilities	25	**0.4**		0.6	
Current tax liabilities		**2.0**		0.2	
Total current liabilities			**19.4**		18.3
Non-current liabilities					
Loans and borrowings	24	**6.8**		29.7	
Lease liabilities	25	**3.2**		4.5	
Deferred tax liabilities	26	**5.4**		5.4	
Total non-current liabilities			**15.4**		39.6
Total liabilities			**34.8**		57.9
Total equity and liabilities			**123.3**		132.7

These financial statements were approved by the Board of Directors on 21 March 2022 and were signed on its behalf by:

David Thompson
Director

The accompanying notes form part of the financial statements.

Company statement of financial position

as at 31 December 2021

	Note	31 December 2021 £m	31 December 2021 £m	31 December 2020 £m	31 December 2020 £m
Non-current assets					
Investments	19	**122.7**		121.5	
Trade and other receivables	21	**–**		26.2	
Total non-current assets			**122.7**		147.7
Current assets					
Trade and other receivables	21	**6.4**		12.5	
Cash and cash equivalents	22	**0.4**		0.2	
Total current assets			**6.8**		12.7
Total assets			**129.5**		160.4
Equity and liabilities					
Equity attributable to the owners of the Company					
Share capital	27	**1.0**		1.0	
Share premium account	27	**65.6**		64.8	
Retained earnings		**41.7**		55.7	
Other reserves		**9.0**		9.2	
Total equity			**117.3**		130.7
Liabilities					
Current liabilities					
Trade and other payables	23	**5.4**		–	
Total current liabilities			**5.4**		–
Non-current liabilities					
Loans and borrowings	24	**6.8**		29.7	
Total non-current liabilities			**6.8**		29.7
Total liabilities			**12.2**		29.7
Total equity and liabilities			**129.5**		160.4

No statement of profit or loss is presented by the Company, as permitted by section 408 of the Companies Act 2006. The Company's loss for the financial year was £11.6m (FY20: profit of £11.4m).

These financial statements were approved by the Board of Directors on 21 March 2022 and were signed on its behalf by:

David Thompson
Director

Company registered number: 09619906

The accompanying notes form part of the financial statements.

Consolidated statement of changes in equity

for the year ended 31 December 2021

	Share capital £m	Share premium £m	Other reserves £m	Non-controlling interest £m	Retained earnings £m	Total equity £m
Balance at 1 January 2020	1.0	64.8	(52.0)	0.1	55.7	69.6
Total comprehensive income for the year						
Profit for the year	–	–	–	0.1	8.1	8.2
Total comprehensive income for the year	–	–	–	0.1	8.1	8.2
Transactions with owners, recorded directly in equity						
Issue of shares	–	–	–	–	–	–
Dividends	–	–	–	–	(2.8)	(2.8)
Share option charge	–	–	0.9	–	–	0.9
Tax on share options exceeding profit or loss charge	–	–	(1.1)	–	–	(1.1)
Total contributions by and distributions to owners	–	–	(0.2)	–	(2.8)	(3.0)
Balance at 31 December 2020	**1.0**	**64.8**	**(52.2)**	**0.2**	**61.0**	**74.8**
Balance at 1 January 2021	1.0	64.8	(52.2)	0.2	61.0	74.8
Total comprehensive income for the year						
Profit for the year	–	–	–	0.2	15.4	15.6
Total comprehensive income for the year	–	–	–	0.2	15.4	15.6
Transactions with owners, recorded directly in equity						
Issue of shares	–	0.8	–	–	(0.1)	0.7
Dividends	–	–	–	(0.1)	(3.7)	(3.8)
Share option charge	–	–	1.1	–	–	1.1
Tax on share options exceeding profit or loss charge	–	–	0.1	–	–	0.1
Release of share option reserve on exercise	–	–	(1.3)	–	1.3	–
Total contributions by and distributions to owners	–	0.8	(0.1)	(0.1)	(2.5)	(1.9)
Balance at 31 December 2021	**1.0**	**65.6**	**(52.3)**	**0.3**	**73.9**	**88.5**

The accompanying notes form part of the financial statements.

Company statement of changes in equity

for the year ended 31 December 2021

	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Total equity £m
Balance at 1 January 2020	1.0	64.8	8.3	47.0	121.1
Total comprehensive income for the year					
Profit for the year	–	–	–	11.4	11.4
Total comprehensive income for the year	–	–	–	11.4	11.4
Transactions with owners, recorded directly in equity					
Dividends	–	–	–	(2.7)	(2.7)
Share option charge	–	–	0.9	–	0.9
Total contributions by and distributions to owners	–	–	0.9	(2.7)	(1.8)
Balance at 31 December 2020	**1.0**	**64.8**	**9.2**	**55.7**	**130.7**
Balance at 1 January 2021	1.0	64.8	9.2	55.7	130.7
Total comprehensive income for the year					
Loss for the year	–	–	–	(11.6)	(11.6)
Total comprehensive income for the year	–	–	–	(11.6)	(11.6)
Transactions with owners, recorded directly in equity					
Issue of shares	–	0.8	–	–	0.8
Dividends	–	–	–	(3.7)	(3.7)
Share option charge	–	–	1.1	–	1.1
Release of share option reserve upon exercise	–	–	(1.3)	1.3	–
Total contributions by and distributions to owners	–	0.8	(0.2)	(2.4)	(1.8)
Balance at 31 December 2021	**1.0**	**65.6**	**9.0**	**41.7**	**117.3**

The accompanying notes form part of the financial statements.

Consolidated statement of cash flows

for the year ended 31 December 2021

	Note	**Year ended 31 December 2021 £m**	Year ended 31 December 2020 £m
Net cash generated from operating activities	30	**17.1**	16.7
Cash flows from investing activities			
Finance income		**–**	0.1
Purchase of property, plant and equipment		**(0.2)**	(1.3)
Development expenditure		**(1.6)**	(2.3)
Net proceeds from sale of subsidiary		**8.7**	–
Net proceeds from sale of operations		**2.4**	–
Net cash flows from/(used in) investing activities		**9.3**	(3.5)
Cash flows from financing activities			
Finance costs		**(0.5)**	(1.0)
Loan repayments made		**(23.0)**	(15.0)
Drawdown of loans		**–**	7.0
Transaction costs related to borrowing		**–**	(0.1)
Payment of deferred and other consideration		**–**	(0.7)
Payment of lease liability		**(0.8)**	(1.0)
Issue of share capital		**0.8**	–
Dividends paid		**(3.8)**	(2.8)
Net cash flows (used in) financing activities		**(27.3)**	(13.6)
Net decrease in cash and cash equivalents		**(0.9)**	(0.4)
Cash and cash equivalents at start of year		**10.3**	10.7
Cash and cash equivalents at end of year		**9.4**	10.3

Operating costs of an exceptional nature, as per note 7, are included in net cash generated from operating activities.

Net proceeds of £8.7m from sale of wholly owned subsidiary Zest Technology Limited, disposed of on 21 July 2021, is included in net cash from investing activities.

Net proceeds of £2.4m from sale of operations within 100% owned subsidiary Simplybiz Investments Limited (formerly Verbatim Investments Limited) is included in net cash from investing activities.

In 2020, payment of £725,000 deferred consideration relates to amounts payable for the acquisition of Landmark Surveyors Limited. The deferred consideration is considered financing in nature given the time elapsed since the acquisitions.

Refer to note 30 for a breakdown of net cash from operating activities. The accompanying notes form part of the financial statements.

Notes

(forming part of the financial statements)

1 General information

Fintel plc's principal activity is the provision of Fintech and support services to the UK retail financial services sector.

During the year, the Company changed its name from The SimplyBiz Group plc to Fintel plc and related formalities were completed on 9 March 2021.

Fintel plc (the "Company") is a company incorporated and domiciled in the United Kingdom. The Company's registered office address is Fintel House (formerly St Andrew's House), St. Andrew's Road, Huddersfield HD1 6NA. The registered number is 09619906.

2 Accounting policies

2.1 Basis of preparation

The Group's consolidated financial statements have been prepared in accordance with UK-adopted International Accounting Standards ("UK-adopted IAS").

The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 ("FRS 100") issued by the Financial Reporting Council. Therefore, the parent company accounts were prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"). As permitted by FRS 101, the following disclosure exemptions have been taken:

- the requirements in IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is party to the transaction is wholly owned by such member; and
- IAS 7 'Statement of Cash Flows'.

The financial information has been prepared on the historical cost basis.

The financial information is presented in the Company's presentational and functional currency of Pounds Sterling ("£"), quoted to the nearest million ("£m") except when otherwise indicated.

The Company applied all standards and interpretations issued by the IASB that were effective as of 31 December 2021. The accounting policies set out below have, unless otherwise stated, been applied consistently to all years presented in this financial information.

In preparing the Consolidated Financial Statements management has considered the impact of climate change, particularly in the context of the financial statements as a whole, in addition to disclosures included in the Strategic Report this year. This included an assessment of the impact on the carrying value of non-current assets and the impact on forecasts used in the impairment review and the assessments of going concern and longer-term viability.

These considerations did not have a material impact on the financial reporting judgements and estimates, consistent with the assessment that climate change is not expected to have a significant impact on the Group's going concern assessment to 31 March 2023 nor the viability of the Group over the next three years.

2.2 Basis of consolidation

The consolidated financial information includes the financial information of Fintel plc and its subsidiary undertakings (the "Group"). Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and its ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control commences until the date on which control ceases.

Under the Companies Act 2006, the Company is exempt from the requirement to present its own statement of profit or loss.

In the parent company financial statements, investments in subsidiaries are carried at cost less impairment.

2.3 Adoption of new and revised standards

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021 (unless otherwise stated). Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate ("IBOR") is replaced with an alternative nearly risk-free interest rate ("RFR"). The amendments include the following practical expedients:

- a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest;
- permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued; and
- provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

Notes continued

(forming part of the financial statements)

2 Accounting policies continued

2.3 Adoption of new and revised standards continued

COVID-19-Related Rent Concessions beyond 30 June 2021: Amendments to IFRS 16

On 28 May 2020, the IASB issued COVID-19-Related Rent Concessions: Amendment to IFRS 16 'Leases'.

The amendment provides relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19-related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment was intended to apply until 30 June 2021, but as the impact of the COVID-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021. However, the Group has not received COVID-19-related rent concessions, but plans to apply the practical expedient if it becomes applicable within the allowed period of application.

2.4 Classification of financial instruments issued by the Group

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and
- where the instrument will, or may, be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in the financial statements for called-up share capital and share premium account exclude amounts in relation to those shares.

2.5 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value, either through other comprehensive income (FVOCI) or through profit or loss (FVPL); and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

Trade and other receivables

Trade and other receivables are recognised at fair value, minus expected future losses. A provision for impairment of trade receivables is recognised based on lifetime expected losses, but principally comprise balances where objective evidence exists that the amount will not be collectible. Such amounts are written down to their estimated recoverable amounts, with the charge being made to operating expenses.

Trade and other payables

Trade and other payables are recognised at fair value.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

Investments

Investments in subsidiaries are carried at cost less impairment.

Amounts owed by/to Group undertakings (Company only)

Amounts owed by Group undertakings are classed as non-current or current assets depending upon the timing of their expected recovery. Amounts due to Group undertakings are classified as current liabilities unless specific payment terms are in place.

Notes continued

(forming part of the financial statements)

2 Accounting policies continued

2.6 Going concern

The Board has concluded that it is appropriate to adopt the Going Concern basis, having undertaken a rigorous review of financial forecasts and available resources. The Directors have concluded that the Group will have sufficient funds to meet its liabilities as they fall due and comply with its financial covenants for the 18 month period from the date of approval of the financial statements to 31 August 2023.

The Group's business activities, together with the factors likely to affect its future development and its financial position, are described in the Strategic report on pages 17 to 18. The Group's financial risk management objectives as well as details of its financial instruments and its exposure to interest, credit and liquidity risk are described in note 3. Specific consideration has been given to the recent events in Ukraine, the impact of COVID-19 and climate risk. None of these factors have a significant impact on the Group's revenues, customer base or supply chain and therefore do not impact the Group's ability to continue as a going concern.

The Group reported a positive bank balance of £9.4m as at 31 December 2021 (2020: £10.3m), and net cash surplus of £2.6m (2020: net debt of £19.4m). The balance on the revolving credit facility as at 31 December 2021 stands at £7.0m, with available undrawn funds of £38m. The Group reported total net assets of £88.5m as at 31 December 2021 (2020: £74.8m).

The Directors have robustly tested the going concern assumption in preparing these financial statements. The Director's assessment takes into account the Group's strong liquidity position at 31 December 2021. The Director's have identified revenue as the most sensitive assumption in their Going Concern assessment. A number of severe but plausible downside scenarios have been modelled which assess the impact of increasingly severe reductions in revenue before any mitigating actions are considered. In addition, a reverse stress test has been performed to determine the extent to which revenue would need to decline throughout the entire Going Concern period for either liquidity to be exhausted or covenants breached. The Director's consider the significance of the reduction in revenues required to breach covenants within the reverse stress test to be remote given the trading performance of the business throughout the Covid-19 period, and remain satisfied that the going concern basis of preparation is appropriate.

The Group's revolving credit facility is due for renewal in March 2024 and the Group continue to operate comfortably within its loan covenants in all plausible downside scenario's modelled.

2.7 Revenue recognition

Revenue is recognised by reference to the five-step model set out in IFRS 15. Revenue is recognised when an entity transfers goods or services to a customer, measured at the amount to which the entity expects to be entitled. Depending on whether certain criteria are met, revenue is recognised:

- over time, in a manner that depicts the entity's performance; or
- at a point in time, when control of the good or service is transferred to the customer.

Revenue is measured at the fair value of consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

Notes continued

(forming part of the financial statements)

2 Accounting policies continued

2.7 Revenue recognition continued

The Group reports revenue under the following categories and the basis of recognition for each category is described below.

Division	Revenue stream	Performance obligations	Revenue recognition accounting policy	Timing of customer payments
Intermediary Services	Membership services	Provision of compliance and business services to financial and intermediary firms. Specific services provided under subscription model: software as a service, support, compliance visits, and learning and development.	The Group's membership is a subscription model, with income recognised in line with the access to the specific service provided (output method). Membership services includes support and software and income recognised on an over-time basis in line with the access to the services. Membership services also includes specific services, such as, regulatory visits and learning and development and revenue is recognised in line with the service to the customer, at the point the service is provided.	Subscriptions are usually invoiced monthly in advance of the commencement of the subscription period and collected in the same month by direct debit.
	Additional services	Provision of additional compliance and business services provided on an ongoing or periodic basis: file checks, website hosting and maintenance, credit checking and learning and development.	Revenue from other membership services is recognised at the point at which the specific service is delivered, or across an agreed support period as necessary, based on the value agreed with the customer. Each service is assessed in line with IFRS 15 and revenue is recognised accordingly in line with the provision of service.	Compliance visits, file checks and website maintenance are collected monthly by direct debit and billed when the service is delivered. Additional services are typically on credit terms and customers pay according to terms.
	Software licence income	Provision (and support) of software licences to intermediary firms within our network, revenue is recognised as the performance obligation is satisfied over time.	Revenue from software licences is recognised straight line over the licence period. The nature of the licenses is such that the Group is required to undertake activities which impact the software and its utility to its customers throughout the licence period.	Invoices are raised and collected by direct debit in the month in which the licence charge relates, pro rated as necessary where agreements are signed mid month.
Distribution Channels	Marketing services revenues	Provision of advertising, marketing services and event sponsorship to product providers.	Revenue is recognised in line with the service provided to the customer (output method).	Invoices are typically raised on a monthly basis with a smaller number being raised quarterly. Customers pay according to agreed terms.
	Distribution as a service ("Daas")	Provision of analytics and broader consultative services to provider partners.	Revenue is recognised in line with the service provided to the customer (output method).	Invoices are typically raised on a monthly basis with a smaller number being raised quarterly. Customers pay according to agreed terms.
	Commission revenues	Commission revenues from product provider distributions.	Commission is recognised in full, following the confirmation of the sale by the third-party provider, who is considered to be the principal, of underlying mortgage and insurance-related products. An element of commission is clawed back if the policy holder cancels and a clawback provision is accounted for accordingly.	Commission revenues are typically received between one and four weeks after confirmation of the sale by the third-party provider.
	Valuation services	Surveys and valuation services provided to clients.	Revenue is recognised at the point at which the service is delivered to the customer, based on the agreed price.	Business-to-business valuation services are paid in advance or on credit terms and customers pay according to these terms. Business-to-consumer is usually paid up front.
Fintech and Research	Fintech software solutions	Provision (and support) of software licence contracts to providers of financial products that enable them to research, launch and distribute relevant products to the market. The provision of software as a performance obligation is a promise of 'right to access' the software satisfied over a period of time. Provision of Engage software to help financial adviser client recommendations.	Revenue from software licences is recognised straight line over the licence period. The nature of the licences is such that the Group is required to undertake activities which impact the software and its utility to its customers throughout the licence period.	Software licences are invoiced, either, monthly or quarterly, in advance with payment terms applied. Engage products are invoiced monthly and collected in the same month by monthly direct debit.
	Research – risk mappings, fund reviews and rating services	Star Ratings – an independent and trusted industry standard for assessing the feature quality and comprehensiveness of a financial product or proposition. The Rating is licensed to product providers over a period of time allowing for promotion of products with accompanying score. Risk Ratings – an independent review of funds to enable advisers to match portfolios to client's risk profiles, which is provided via a licenced Risk Rating over an agreed period of time.	Revenue from star and risk ratings is recognised straight line over the agreed contractual period of the licence, which is typically one year.	Revenue from star and risk ratings is billed on an annual basis in advance, and customers pay according to agreed terms.

Notes continued

(forming part of the financial statements)

2 Accounting policies continued

2.7 Revenue recognition continued

Contract assets

A contract asset is initially recognised for revenue earned from services for which the receipt of consideration is conditional on successful completion of the service and performance obligation. Upon completion of the service, the amount recognised as accrued income is reclassified to trade receivables.

Contract liabilities

A contract liability is recognised if a payment is received, or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as deferred income until the Group delivers the performance obligations under the contract (i.e. transfers control of the related goods or services to the customer) at which point revenue is recognised in line with the delivery of the performance obligation.

2.8 Research and development expenditure

Research expenditure is recognised as an expense, in the statement of profit or loss, in the year in which it is incurred.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group intends to and has the technical ability and sufficient resources to complete development, if future economic benefits are probable and if the Group can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses. Amortisation is charged to the statement of profit or loss over the estimated useful lives of the assets, which are a range of three to five years. Development costs capitalised and included as an asset within the financial statements have not been treated as a realised loss for the purpose of determining distributable reserves.

2.9 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

The Group assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the statement of profit or loss on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. All lease assets are depreciated over the shorter of the useful economic life or expected lease period, unless it is expected that the Company will exercise an option to purchase the asset, in which case these assets are depreciated over their useful economic life. The estimated useful lives are as follows:

- Office equipment 3–5 years
- Property 20 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

Plant and equipment includes IT equipment and motor vehicles.

2.10 Business combinations

All business combinations are accounted for by applying the acquisition method. Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the statement of profit or loss.

On a transaction-by-transaction basis, the Group elects to measure non-controlling interests which have both present ownership interests and are entitled to a proportionate share of net assets of the acquiree in the event of liquidation, either at its fair value or at its proportionate interest in the recognised amount of the identifiable net assets of the acquiree at the acquisition date. All other non-controlling interests are measured at their fair value at the acquisition date, unless another measurement basis is required.

Notes continued

(forming part of the financial statements)

2 Accounting policies continued

2.11 Non-controlling interests

Acquisitions and disposals of non-controlling interests that do not result in a change of control are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary. Any difference between the price paid or received and the amount by which non-controlling interests are adjusted is recognised directly in equity and attributed to the owners of the parent.

2.12 Intangible assets

Goodwill

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose. Goodwill is not amortised but is tested annually for impairment.

Other intangible assets

Expenditure on internally generated goodwill and brands is recognised in the statement of profit or loss as an expense as incurred.

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation

Amortisation is charged to the statement of profit or loss on a straight-line basis over the estimated useful lives of intangible assets. The basis for choosing these useful lives is with reference to the years over which they can continue to generate value for the Group. The estimated useful lives are as follows:

- Brands 10 years
- Intellectual property 8–15 years

The Company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Software

The cost of implementation of software utilised by the Group is amortised over the useful economic life of the software.

2.13 Impairment excluding deferred tax assets and financial assets

Financial assets (including trade and other receivables)

Financial assets are carried at fair value, less expected future losses.

Non-financial assets

The carrying amounts of the entity's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Information on the methodology and assumptions applied is set out in note 18. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units ("CGUs") that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in statement of profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.14 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

Notes continued

(forming part of the financial statements)

2 Accounting policies continued

2.14 Leases continued

Accounting as a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate, determined by reference to its current borrowing facilities.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in "property, plant and equipment" and lease liabilities on the face of the statement of financial position.

Short-term leases and leases of low value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.15 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for:

- the initial recognition of goodwill; and
- the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets and liabilities are offset only if certain criteria are met.

Notes continued

(forming part of the financial statements)

2 Accounting policies continued

2.16 Pensions

The pension costs charged in the financial information represent the contributions payable by the Group during the year on the defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The amounts charged to the statement of profit or loss represent the contributions payable to the scheme in respect of the accounting period and represent the full extent of the Group's liability.

2.17 Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends, this is when declared by the Directors. In the case of final dividends, this is when approved by the shareholders at a general meeting.

2.18 Exceptional items

Exceptional items are those significant items which are separately disclosed by virtue of their size, incidence or nature to enable a full understanding of the Group's underlying financial performance, details of which are disclosed in note 7.

2.19 Share-based payments

The Group has accounted for share-based payments where the Group receives services from employees, Directors or third parties and pays for these in shares or similar equity instruments.

The Group makes equity-settled share-based payments to certain employees and Directors. Equity-settled share-based schemes are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant, measured by use of an appropriate valuation model. The fair value determined at grant date of the equity-settled share-based payments is expensed on a straight-line basis over the period services are received, based on the Group's estimate of shares that will eventually vest.

Share options are forfeited when an employee ceases to be employed by the Group unless determined to be a "good leaver". A "good leaver" is a participant who ceases employment by reason of death, ill health, and disability or at the discretion of the Directors.

The Company grants share options under the share-based schemes directly to employees of its subsidiaries. The Company recognises an increase in the investment in the related subsidiary and a credit to the share-based payment reserve. The fair value of the employee service is based on the fair value of the equity instrument granted.

2.20 Accounting for government support

Amounts receivable under the UK Government's Coronavirus Job Retention Scheme have been recognised in the statement of profit or loss on a systematic basis net of the expense for which the monies are intended to compensate, once any conditions related to the receipts are met. Further details of the support received are shown in note 9.

3 Financial instruments and financial risk management

The Group's principal financial liabilities comprise trade and other payables, borrowings and lease liabilities. The primary purpose of these financial liabilities is to finance the operations. The Group has trade and other receivables and cash that derive directly from its operations.

Financial assets

The financial assets were as follows:

	31 December 2021 £m	31 December 2020 £m
Cash and cash equivalents	**9.4**	10.3
Trade and other receivables	**12.4**	10.2

The Directors consider that the carrying amount of all financial assets approximates to their fair value.

Financial liabilities

The financial liabilities were as follows:

	31 December 2021 £m	31 December 2020 £m
Trade and other payables	**17.0**	17.5
Lease liabilities	**3.6**	5.1
Borrowings	**6.8**	29.7

The Directors consider that the carrying amount for all financial liabilities approximates to their fair value.

Financial risk management

The Group is exposed to interest rate risk, credit risk and liquidity risk. Senior management oversees the management of these risks and ensures that the financial risk taking is governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk appetite.

The Board of Directors reviews and agrees the policies for managing each of these risks, which are summarised on the next page.

Notes continued

(forming part of the financial statements)

3 Financial instruments and financial risk management continued

Financial risk management continued

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group accepts the risk of losing interest on deposits due to interest rate reductions.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including cash deposits with banks and financial institutions.

Trade receivables

Customer credit risk is managed subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit risk is principally managed through the use of direct debit payments. Outstanding receivables are regularly monitored and discussed at executive management and Board level.

The requirement for impairment is analysed at each reporting date. The calculation is based on actual incurred historical data and anticipated future losses. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 21. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low as there is limited reliance on single, or a few, customers; instead, sales are typically small in size.

Financial instruments and cash deposits

Credit risk from cash balances with banks and financial institutions is managed in accordance with the Group's policy. Credit risk with respect to cash is managed by carefully selecting the institutions with which cash is deposited.

Liquidity risk

The Group is strongly cash generative and the funds generated by operating activities are managed to fund short-term working capital requirements. The Board carefully monitors the cash position, ensuring it is sufficient for normal operating requirements.

The following table details the Group's remaining contractual maturity for its financial liabilities based on undiscounted contractual payments:

	Within 1 year £m	1 to 2 years £m	2 to 5 years £m	Over 5 years £m	Total £m
31 December 2020					
Trade and other payables	2.1	—	—	—	2.1
Lease liabilities	0.6	0.4	3.2	0.9	5.1
Borrowings	—	—	29.7	—	29.7
31 December 2021					
Trade and other payables	**1.9**	**—**	**—**	**—**	**1.9**
Lease liabilities	**0.5**	**2.6**	**0.5**	**0.2**	**3.8**
Borrowings	**—**	**7.0**	**—**	**—**	**7.0**

Capital risk management

The Group manages its capital to ensure that it will be able to continue as a going concern while also maximising the operating potential of the business. The capital structure of the Group consists of equity attributable to equity holders of the Group, comprising issued capital, reserves and retained earnings as disclosed in the consolidated statement of changes in equity. The Group is not subject to externally imposed capital requirements.

4 Critical accounting estimates and judgements

The Group makes certain estimates and judgements regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and judgements. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

Revenue

Revenue is generated from sales of software licences to member firms on a 'right to access' basis. Where the group is a value-added re-seller of software licences to member firms the key judgement is determining whether the member firm is a customer of the Group. Considering the nature of the Group's re-sale of software licences, judgement is required by management to ascertain the appropriate agent versus principal classification.

Notes continued

(forming part of the financial statements)

4 Critical accounting estimates and judgements continued

Revenue continued

The key criteria in this determination is whether the value-added re-seller has ability to direct control of the physical service prior to transfer to the customer. When the Group has control of third-party goods or services prior to delivery to a customer, then the Group is the principal in the sale to the customer. As a principal, receipts from customers and payments to suppliers are reported on a gross basis in revenue and cost of sales. If the Group does not have control of third-party goods or services prior to transfer to a customer, then the Group is acting as an agent for the other party and revenue in respect of the relevant obligations is recognised net of any related payments to the supplier and reported revenue represents the margin earned by the Group.

The evaluation of control principally considers the ability to direct the use of and obtain substantially all of the remaining benefits of the provided asset or service. In respect of the resale of software licences, management have determined that the Group is the principal in the arrangement. The key factors in arriving at this conclusion are: the company is responsible for fulfilling the software service by providing the licences direct to the customer, the company carries inventory risk in the form of a requirement to acquire a minimum number of licences, the company sells a modified version of the software that incorporates the company's intellectual property, and the company directly negotiates the listed selling price with the provider, whilst also having the option to discount this price to the end customer.

Goodwill

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the choice of a discount rate in order to calculate the present value of the cash flows. The major source of estimation uncertainty relates to the estimation of future cash flows, particularly for the value in use calculations for the Fintech & Research CGU.

More information, including carrying values in respect of the Fintech & Research CGU, is included in note 18.

5 Revenue

The total revenue for the Group has been derived from its principal activity: the provision of compliance, distribution and technology services to financial intermediaries and financial institutions. The Group also operates a Fintech platform and provides independent ratings of financial products and funds. All the revenue relates to trading undertaken in the UK, except for less than £0.1m in Defaqto Nordic (FY20: £0.2m) and sales into Asia Pacific of £0.1m (FY20: £0.6m).

In the following table, revenue is disaggregated by major product/service lines and timing of revenue recognition:

Major product/service lines	**Year ended 31 December 2021 £m**	Year ended 31 December 2020 £m
Rendering of services	**44.8**	44.9
Commission	**10.9**	9.0
Licence income	**8.2**	7.1
Total	**63.9**	61.0

Timing of transfer of goods or services	**Year ended 31 December 2021 £m**	Year ended 31 December 2020 £m
Products and services transferred at a point in time	**27.4**	25.3
Products and services transferred over time	**36.5**	35.7
Total	**63.9**	61.0

The aggregate amount of revenues expected to be realised in the future from partially or fully unsatisfied performance obligations in less than 24 months of the reporting date is £5.8m, with £3.9m expected to realise thereafter.

6 Segmental information

During the year, the Company was domiciled in the UK and substantially all revenue is derived from external customers in the United Kingdom. The Group has an operation in Norway, which is wholly immaterial to the Group's revenues.

The Group has three operating segments, which are considered to be reportable segments under IFRS. The three reportable segments are:

- Intermediary Services;
- Distribution Channels; and
- Fintech & Research.

Intermediary Services provides compliance and regulation services to individual financial intermediary Member Firms, including directly authorised IFAs, directly authorised mortgage advisers, workplace consultants and directly authorised wealth managers.

Distribution Channels provides marketing and promotion, product panelling and co-manufacturing services to financial institutions. This division of the Group also undertakes survey panelling and surveying work for mortgage lenders.

The Fintech & Research segment provides a Fintech platform for over 8,000 users, across 3,300 firms and provides independent ratings of 21,000 financial products and funds, licenced by 250 brands.

Notes continued

(forming part of the financial statements)

6 Segmental information continued

The reportable segments are derived on a product / customer type basis. Management has applied its judgement on the application of IFRS 8, with operating segments reported in a manner consistent with the internal reporting produced to the chief operating decision makers ("CODM").

Segmental information is provided for adjusted EBITDA, which is the measure used when reporting to the CODM.

For the purpose of making decisions about resource allocation and performance assessment, it is the operating results of the three core divisions listed above that are monitored by management and the Group's chief operating decision-maker, being the Fintel plc Board. It is these divisions, therefore, that are defined as the Group's reportable operating segments.

Segmental information is provided for gross profit, which is the measure used when reporting to the CODM.

The tables below present the segmental information.

Year ended 31 December 2021	**Intermediary Services £m**	**Distribution Channels £m**	**Fintech and Research £m**	**Admin and support costs £m**	**Group £m**
Revenue	**24.0**	**23.1**	**16.8**	**—**	**63.9**
Direct operating costs	**(16.6)**	**(12.2)**	**(6.0)**	**—**	**(34.8)**
Gross profit	**7.4**	**10.9**	**10.8**	**—**	**29.1**
Administrative and support costs				**(10.8)**	**(10.8)**
Adjusted EBITDA					**18.3**
Gain on disposal of subsidiary					**4.3**
Gain on disposal of operations					**3.5**
Amortisation of other intangible assets					**(2.0)**
Amortisation of development costs and software					**(1.5)**
Depreciation					**(0.3)**
Depreciation of lease assets					**(0.6)**
Share option charge					**(1.1)**
Operating profit					**20.6**
Net finance costs					**(0.7)**
Profit before tax					**19.9**

Year ended 31 December 2020	Intermediary Services £m	Distribution Channels £m	Fintech and Research £m	Admin and support costs £m	Group £m
Revenue	25.0	20.7	15.3	—	61.0
Direct operating costs	(16.4)	(9.4)	(6.1)	—	(31.9)
Gross profit	8.6	11.3	9.2	—	29.1
Administrative and support costs				(11.8)	(11.8)
Adjusted EBITDA					17.3
Operating costs of an exceptional nature					(0.8)
Amortisation of other intangible assets					(2.0)
Amortisation of development costs and software					(1.1)
Depreciation					(0.3)
Depreciation of lease assets					(0.8)
Share option charge					(0.9)
Operating profit					11.4
Net finance costs					(1.2)
Profit before tax					10.2

In determining the trading performance of the operating segments central costs have been presented separately in the current period. Segmental performance in the prior period has been presented consistently on the same basis.

The statement of financial position is not analysed between the reporting segments for management and the chief operating decision makers consider the Group statement of financial position as a whole.

No customer has generated more than 10% of total revenue during the year covered by the financial information.

Notes continued

(forming part of the financial statements)

7 Operating profit

Operating profit for the year has been arrived at after charging:

	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m
Depreciation of tangible assets – owned	**0.3**	0.3
Depreciation of lease assets	**0.6**	0.8
Research expenditure	**0.5**	0.7
Operating costs of exceptional nature:		
Restructuring costs	**–**	0.6
Loss of office expense	**–**	0.2
	–	0.8

Auditor's remuneration

	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m
Audit of these financial statements	**0.3**	0.2
Amounts receivable by the Company's auditor and its associates in respect of:		
Audit of financial statements of subsidiaries of the Company	**0.1**	0.1

Operating costs of exceptional nature

In 2020 restructuring costs relate to a Group-wide restructuring and redundancy programme, which was implemented during the COVID-19 pandemic. Loss of office expenses relates to the redundancy of senior employees in 2020.

8 Reconciliation of GAAP to non-GAAP measures

The Group uses a number of "non-GAAP" figures as comparable key performance measures, as they exclude the impact of items that are non-cash items and also items that are not considered part of ongoing underlying trade. Amortisation of other intangible assets has been excluded on the basis that it is a non-cash amount, relating to acquisitions in prior periods. The Group's "non-GAAP" measures are not defined performance measures in IFRS. The Group's definition of the reporting measures may not be comparable with similar titled performance measures in other entities.

Adjusted EBITDA is calculated as follows:

	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m
Operating profit	**20.6**	11.4
Add back:		
Depreciation (note 17)	**0.3**	0.3
Depreciation of lease assets (note 17)	**0.6**	0.8
Amortisation of other intangible assets (note 18)	**2.0**	2.0
Amortisation of development costs and software (note 18)	**1.5**	1.1
EBITDA	**25.0**	15.6
Add back:		
Gain on disposal of subsidiary	**(4.3)**	–
Gain on disposal of operations	**(3.5)**	–
Share option charge	**1.1**	0.9
Operating costs of exceptional nature (note 7)	**–**	0.8
Adjusted EBITDA	**18.3**	17.3

Operating costs of an exceptional nature have been excluded as they are not considered part of the underlying trade. Share option charges have been excluded from adjusted EBITDA as a non-cash item.

Notes continued

(forming part of the financial statements)

8 Reconciliation of GAAP to non-GAAP measures continued

Adjusted operating profit is calculated as follows:

	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m
Operating profit	**20.6**	11.4
Add back:		
Gain on disposal of subsidiary	**(4.3)**	–
Gain on disposal of operations	**(3.5)**	–
Operating costs of exceptional nature (note 7)	**–**	2.0
Amortisation of other intangible assets (note 18)	**2.0**	1.1
Adjusted operating profit	**14.8**	14.2

Adjusted profit before tax is calculated as follows:

	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m
Profit before tax	**19.9**	10.2
Add back:		
Gain on disposal of subsidiary	**(4.3)**	–
Gain on disposal of operations	**(3.5)**	–
Operating costs of exceptional nature (note 7)	**–**	0.8
Amortisation of other intangible assets (note 18)	**2.0**	2.0
Adjusted profit before tax	**14.1**	13.0

Adjusted profit after tax is calculated as follows:

	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m
Profit after tax	**15.6**	8.2
Add back:		
Gain on disposal of subsidiary, net of tax	**(4.3)**	–
Gain on disposal of operations, net of tax	**(2.4)**	–
Operating costs of exceptional nature (note 7), net of tax	**–**	0.6
Amortisation of other intangible assets (note 18), net of deferred tax	**1.6**	2.1
Profit attributable to non-controlling interests	**(0.2)**	–
Adjusted profit after tax	**10.3**	10.9

Free cash flow conversion is calculated as follows:

	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m
Adjusted operating profit	**14.8**	14.2
Adjusted for:		
Depreciation of tangible assets	**0.3**	0.3
Depreciation of lease assets	**0.6**	0.8
Amortisation of development costs and software	**1.5**	1.1
Share option charge	**1.1**	0.9
Net changes in working capital	**0.6**	2.5
Purchase of property, plant and equipment	**(0.2)**	(1.3)
Development expenditure	**(1.6)**	(2.3)
Underlying cash flow from operations	**17.1**	16.2
Underlying operating cash flow conversion	**116%**	114%
Net interest paid	**(0.5)**	(1.0)
Income tax paid	**(1.8)**	(2.4)
Payments of lease liability	**(0.8)**	(1.0)
Free cash flow	**14.0**	11.8
Adjusted EBITDA	**18.3**	17.3
Free cash flow conversion	**77%**	69%

Notes continued

(forming part of the financial statements)

9 Staff numbers and costs

The average number of persons employed by the Group (including Directors) during the year, analysed by category, was as follows:

	Number of employees Year ended 31 December 2021	Number of employees Year ended 31 December 2020
Directors	**7**	6
Operational	**473**	569
	480	575

The aggregate payroll costs of these persons were as follows:

	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m
Wages and salaries	**21.7**	22.5
Social security costs	**2.6**	2.7
Share-based payment awards	**1.1**	0.9
Contributions to defined contribution plans	**1.5**	1.4
Government grants received	**—**	(1.2)
	26.9	26.3

The Group has received financial assistance during the current and prior year from the Coronavirus Job Retention Scheme. Further details can be found in note 31.

10 Remuneration of key management personnel

Key management personnel represent those personnel who hold a statutory directorship in Fintel plc for the period whilst they hold the statutory directorship. Further details are disclosed in the Directors' emoluments table on page 50 and share options and incentive schemes disclosure on page 48 which form part of these audited financial statements. Further information on the Directors' remuneration and benefits is as follows:

	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m
Wages and salaries	**1.2**	1.4
Share-based payments	**0.4**	0.4
Social security costs	**0.2**	0.2
Pension costs	**—**	—
Compensation for loss of office	**—**	0.2
	1.8	2.2

11 Finance income

	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m
Bank interest receivable	**—**	0.1

Notes continued

(forming part of the financial statements)

12 Finance expense

	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m
Interest payable on financial liabilities at amortised cost	**0.6**	1.1
Finance charge on lease liability	**0.1**	0.2
	0.7	1.3

13 Earnings per share

Basic earnings per share	Year ended 31 December 2021	Year ended 31 December 2020
Profit attributable to equity shareholders of the parent (£m)	**15.4**	8.1
Weighted average number of shares in issue	**97,728,610**	96,792,089
Basic profit per share (pence)	**15.7**	8.3

Diluted earnings per share	Year ended 31 December 2021	Year ended 31 December 2020
Profit attributable to equity shareholders of the parent (£m)	**15.4**	8.1
Weighted average number of shares in issue	**97,728,610**	96,792,089
Diluted weighted average number of shares and options for the year	**950,770**	812,602
	98,679,380	97,604,691
Diluted profit per share (pence)	**15.7**	8.3

Weighted average number of shares in issue has been adjusted for potentially dilutive share options arising from the share scheme detailed in note 28. In addition, as at 31 December 2021, 3,338,036 options issued to Members (intermediary customers) were less than the share price, making them “in the money”. They have therefore been included in the diluted weighted average number of shares above.

An adjusted EPS has been calculated below based on the adjusted profit after tax, which removes items not considered to be part of underlying trading.

Adjusted basic earnings per share	Year ended 31 December 2021	Year ended 31 December 2020
Adjusted profit after tax (note 8) (£m)	**10.3**	10.9
Weighted average number of shares in issue	**97,728,610**	96,792,089
Adjusted earnings per share (pence)	**10.5**	11.3

14 Taxation

	Year ended 31 December 2021 £m	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m	Year ended 31 December 2020 £m
Current tax				
Current tax on income for the year	**3.8**		2.1	
Adjustments in respect of prior years	**(0.1)**		(0.1)	
Total current tax		**3.7**		2.0
Deferred tax (note 26)				
Origination and reversal of timing differences	**(0.5)**		(0.2)	
Change in deferred tax rate	**1.4**		0.6	
Adjustments in respect of prior years	**(0.3)**		(0.4)	
Total deferred tax		**0.6**		–
Total tax		**4.3**		2.0

£1.0m of tax credit (2020: £1.1m deferred tax charge) has been recognised directly in equity.

Notes continued

(forming part of the financial statements)

14 Taxation continued

Reconciliation of effective tax rate

	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m
Profit for the year	**15.6**	8.2
Total tax charge	**4.3**	2.0
Profit before taxation	**19.9**	10.2
Tax using the UK corporation tax rate of 19.0% (2020: 19.0%)	**3.7**	1.9
Non-deductible expenses	**10.7**	—
Non-taxable income	**(11.1)**	—
Research and development benefit	**—**	(0.1)
Change in deferred tax rate	**1.4**	0.6
Adjustments in respect of prior year	**(0.4)**	(0.4)
Total tax charge included in profit or loss	**4.3**	2.0

Changes affecting the future tax charge

An increase in the UK corporation tax rate from 19% to 25% (effective from 1 April 2023) was substantively enacted on 24 May 2021. Deferred tax assets and liabilities are measured at the tax rate expected to apply in the year when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax expected to reverse in the year to 31 December 2023 has been measured using the effective tax rate that will apply for the period (23.5%). For years ending after 31 December 2023, the Group has used the new tax rate of 25%.

15 Dividends

The following dividends were declared and paid by the Company for the year:

	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m
Dividend paid by the Company:		
2019 final – 2.85 pence per qualifying Ordinary Share	**—**	2.8
2020 final – 2.85 pence per qualifying Ordinary Share	**2.8**	—
2021 interim – 1.00 pence per qualifying Ordinary Share	**1.0**	
	3.8	2.8

The Board is proposing a full year dividend in respect of 2021 of 2.0 pence per share, payable on 7 June 2022, to shareholders on the register on 29 April 2022 with an ex-dividend date of 28 April 2022

16 Profit of the parent company

As permitted by section 408 of the Companies Act 2006, the statement of profit or loss of the Company is not presented as part of these financial statements. The Company's loss for the financial year was £11.6m (2020: profit of £11.4m).

Notes continued

(forming part of the financial statements)

17 Property, plant and equipment

Group	Leased assets Property £m	Leased assets Plant and equipment £m	Leased assets Total £m	Owned assets Office equipment £m	Owned assets Total £m
Cost					
At 1 January 2020	2.6	0.7	3.3	1.7	5.0
Additions	3.0	0.2	3.2	1.3	4.5
Disposals	(0.4)	—	(0.4)	(0.2)	(0.6)
At 31 December 2020	5.2	0.9	6.1	2.8	8.9
Additions	0.1	0.2	0.3	0.2	0.5
Disposals	(1.3)	(0.2)	(1.5)	(0.3)	(1.8)
At 31 December 2021	**4.0**	**0.9**	**4.9**	**2.7**	**7.6**
Depreciation and impairment					
At 1 January 2020	0.4	0.3	0.7	1.2	1.9
Depreciation charge for the year	0.5	0.3	0.8	0.3	1.1
Disposals	(0.4)	—	(0.4)	(0.2)	(0.6)
At 31 December 2020	0.5	0.6	1.1	1.3	2.4
Depreciation charge for the year	0.4	0.2	0.6	0.3	0.9
Disposals	(0.2)	(0.2)	(0.4)	(0.2)	(0.6)
At 31 December 2021	**0.7**	**0.6**	**1.3**	**1.4**	**2.7**
Net book value					
At 31 December 2021	**3.3**	**0.3**	**3.6**	**1.3**	**4.9**
At 31 December 2020	4.7	0.3	5.0	1.5	6.5

Plant and equipment includes IT equipment and motor vehicles. In 2020, the Group entered into a significant lease contract for its head office. The contract runs for a total of 15 years, with an option to purchase the building from August 2022 to January 2023, which management expects to exercise. The lease asset and liability were valued at £2.7m on inception, which includes the aforementioned purchase option, discounted at an incremental borrowing rate of 2.8% (note 25). The lease asset is being depreciated over 20 years, which is in line with the accounting policy disclosed in note 2.9.

18 Intangible assets

Group	Goodwill £m	Brand £m	Intellectual property £m	Total other intangible assets £m	Development expenditure £m	Total £m
Cost						
At 1 January 2020	76.2	3.1	24.4	27.5	5.2	108.9
Additions	—	—	—	—	2.3	2.3
At 31 December 2020	76.2	3.1	24.4	27.5	7.5	111.2
Additions	—	—	—	—	1.6	1.6
Disposals	(3.8)	—	—	—	(5.3)	(9.1)
At 31 December 2021	**72.4**	**3.1**	**24.4**	**27.5**	**3.8**	**103.7**
Amortisation and impairment						
At 1 January 2020	0.2	0.2	1.5	1.7	0.8	2.7
Charge in the year	—	0.3	1.7	2.0	1.1	3.1
At 31 December 2020	0.2	0.5	3.2	3.7	1.9	5.8
Charge in the year	—	0.3	1.7	2.0	1.5	3.5
Disposals	—	—	—	—	(2.2)	(2.2)
At 31 December 2021	**0.2**	**0.8**	**4.9**	**5.7**	**1.2**	**7.1**
Net book value						
At 31 December 2021	**72.2**	**2.3**	**19.5**	**21.8**	**2.6**	**96.6**
At 31 December 2020	76.0	2.6	21.2	23.8	5.6	105.4

Capitalised development expenditure relates to the development of the software platform in Defaqto Limited and Zest Technology Limited.

In 2021, the Group sold Zest Technology Limited for total consideration of £10.0m which had a development expenditure carrying value of £3.2m and associated goodwill carrying value of £2.4m. The associated goodwill is deemed to be an accurate apportionment of the total goodwill attributable to the Intermediary Services operating segment. Refer to note 20 for further information.

Furthermore, in 2021, the Group disposed of its operations within its 100% owned subsidiary Simply Biz Investments Limited (formerly Verbatim Investments Limited) which accounted for all trade within the subsidiary for a total consideration of £5.4m. As such, associated goodwill in the subsidiaries operating segment, Distribution Solutions, of £1.4m has been disposed of. This is deemed to be an accurate apportionment goodwill associated with the subsidiary.

Notes continued

(forming part of the financial statements)

18 Intangible assets continued

The carrying amount of goodwill is allocated across operating segments, which are deemed to be cash-generating units ("CGUs") as follows:

	31 December 2021 £m	31 December 2020 £m
Intermediary Services	**12.7**	15.0
Distribution Channels	**11.5**	13.0
Fintech & Research	**48.0**	48.0
	72.2	76.0

Goodwill is determined to have an infinite useful economic life. The Group has determined that, for the purposes of impairment testing, each segment is a cash-generating unit ("CGU"). The recoverable amounts for the CGUs are predominantly based on value in use, which is calculated on the cash flows expected to be generated using the latest projected data available over a five-year period, plus a terminal value estimate.

The key assumptions in the value in use calculation are the pre-tax discount rate (range of 12.8% to 13.7%; 2020: range of 12.2% to 13.1%), annual adjusted EBITDA growth rate (range of 6.0% to 11%; 2020: 8.0% to 18.9%) and the terminal growth rate (2.0%; 2020: 2.0%). The discount rate is based on the Group's pre-tax cost of capital, which is compared with other discount rates in the sector, considered to be a reasonable market participant's rate. The projected EBITDA growth rate is built up on the Board-approved budget and plan, taking into account historical trends. The terminal growth rate is based on the expected growth rate into perpetuity and the expected long-term growth rate of the UK economy.

The Directors have reviewed the recoverable amounts of the CGUs and concludes that the carrying value remains substantiated. Any set of reasonably possible assumptions would not result in the carrying value exceeding the recoverable amount.

19 Fixed asset investments

Company	Shares in Group undertakings £m	Total £m
Cost		
At 1 January 2021	121.5	121.5
Additions	1.2	1.2
At 31 December 2021	**122.7**	**122.7**
Provisions		
At 1 January 2021 and 31 December 2021	—	—
Net book value		
At 31 December 2021	**122.7**	**122.7**
At 31 December 2020	121.5	121.5

The Directors consider the carrying value of investments to be supported by the net assets and future cash flows of the businesses. The key assumptions in the value in use calculation are consistent to those applied over goodwill in note 18.

The additions include £1.1m (2020: £0.9m) relating to share option charges in the subsidiary companies, which will be settled through equity in Fintel plc. £0.1m relates to an increase in the investment in SimplyBiz Limited as a result of acquiring A shares in Simply Biz Limited in exchange for issuing Ordinary Shares in the Group upon exercise of the MIP share scheme.

Notes continued

(forming part of the financial statements)

19 Fixed asset investments continued

	Country of incorporation	Principal activity	Class and percentage of shares held Group	Company
Subsidiary undertakings				
Simply Biz Limited*	UK	Group management	Ordinary 100%	Ordinary 100%
SIFA Limited*	UK	Business support services	Ordinary 100%	–
Simply Biz Support Limited*	UK	Various business support services	Ordinary 100%	–
APS Legal and Associates Limited*	UK	Legal services	Ordinary 100%	–
Simply Biz Services Limited*	UK	Various business services	Ordinary 100%	–
Simply Biz Mortgages Limited*	UK	Provision of mortgage club facility	Ordinary 100%	–
Capital Reward Clients Limited	UK	Dissolved	Ordinary 100%	–
Zest Benefits Limited	UK	Dormant	Ordinary 100%	–
Zest Technology Limited*	UK	Business support software (disposed of in year)	Ordinary 100%	–
Staffcare Limited	UK	Dormant	Ordinary 100%	–
Capital Reward Limited	UK	Non-trading	Ordinary 99.84%	–
Capital Reward Plus Limited	UK	Dissolved	Ordinary 100%	–
New Model Business Academy Limited	UK	Business services training	Ordinary 100%	–
Fintel Group Limited	UK	Dormant	Ordinary 100%	–
Gateway Surveying Services Limited*	UK	Property survey agency	Ordinary 100%	–
Sonas Surveyors Limited	UK	Dormant	Ordinary 100%	–
Professional Finance Broking Limited	UK	Dormant	Ordinary 100%	–
Financial Intermediary and Broker Association Limited	UK	Trade association	Ordinary 100%	–
IKST Limited	UK	Dormant	Ordinary 100%	–
Simplybiz Asset Management (formerly Verbatim Asset Management Limited)*	UK	Holding company	Ordinary 100%	–
Verbatim Portfolio Management Limited	UK	Investment planning tools	Ordinary 100%	–
Verbatim Adviser Services Limited*	UK	Dissolved	Ordinary 100%	–
Simplybiz Investments Limited* (formerly Verbatim Investments Limited)	UK	Asset management vehicle	Ordinary 100%	–
Landmark Surveyors Limited*	UK	Survey and valuation services	Ordinary 100%	–
Regulus Topco Limited	UK	Dissolved	Ordinary 100%	Ordinary 100%
Regulus Midco Limited	UK	Dissolved	Ordinary 100%	–
Regulus Bidco Limited	UK	Provision of management and finance services	Ordinary 100%	–
Defaqto Group Limited	UK	Provision of management and finance services	Ordinary 100%	–
Defaqto Ltd	UK	Financial research provider	Ordinary 100%	–
Jump Topco Limited	UK	Intermediate holding company	Ordinary 65%	–
Comparison Creator Limited	UK	Provider of financial product comparison software	Ordinary 65%	–
Defaqtomedia Limited	UK	Dissolved	Ordinary 100%	–
Find Limited	UK	Dissolved	Ordinary 100%	–
Defaqto Europe Limited	UK	Dissolved	Ordinary 100%	–
Defaqto Nordic AS	Norway	Dissolved	Ordinary 61%	–

Notes continued

(forming part of the financial statements)

19 Fixed asset investments continued

The Group sold Zest Technology Limited, which was disposed of on 21 July 2021 (note 20).

All subsidiaries marked with an asterisk are party to a cross-guarantee against the bank loans of Fintel plc.

The registered address of all subsidiaries is Fintel House, St Andrew's Road, Huddersfield HD1 6NA, with the exception of the following:

- Comparison Creator Limited and Jump Topco Limited – Springboard Business Centre, Llantarnam Park, Cwmbran NP44 3AW; and
- Regulus Bidco Limited, Defaqto Group Limited, Defaqto Ltd – Financial Research Centre, Haddenham Business Park, Pegasus Way, Haddenham, Aylesbury, Buckinghamshire HP17 8LJ.

The following table summarises the information relating to each of the Group's subsidiaries that has material non-controlling interests, before any intra-group eliminations:

31 December 2021	Comparison Creator £m
NCI percentage	**35%**
Non-current assets	**—**
Current assets	**1.7**
Non-current liabilities	**—**
Current liabilities	**(0.7)**
Net assets	**1.0**
Net assets attributable to NCI	**0.4**
Revenue	**1.4**
Profit after tax	**0.5**
Total comprehensive income	**0.4**
Profit allocated to NCI	**0.1**

Comparison Creator is a subsidiary of Jump Topco Limited, which is a non-trading intermediary holding company. During the year the entity paid a dividend of £0.2m (2020: £0.1m).

The Group also has an NCI in Defaqto Nordic AS, which has a loss allocated to NCI of £0.1m (2020: £nil) for the year.

20 Disposals

On 21 July 2021, the Group disposed of 100% of the share capital of Zest Technology Limited ("Zest"), a 100% owned subsidiary software support business for initial consideration of £10.0m, and a further £1.5m contingent consideration. Under terms of the agreement, the Group would receive £3 for every £1 of revenue Zest achieves over a hurdle of £4.0m, capped at £1.5m. Based on the most recently available financial information management did not expect any of the contingent consideration to materialise therefore the fair value of the contingent consideration is assessed as £nil.

The net assets of Zest Technology Limited at the date of disposal were as follows:

	Fair value £m
Net assets disposed	
Lease asset	1.1
Intangible assets – development costs	3.1
Trade and other receivables	1.0
Corporation tax asset	0.1
Cash and cash equivalents	1.1
Trade and other payables	(1.6)
Deferred revenue	(0.9)
Lease liability	(1.1)
Deferred tax liability	(0.3)
Goodwill	2.4
Net assets disposed	4.9
Consideration paid	
Cash and cash equivalents	10.0
Contingent consideration	—
Total consideration	10.0
Associated transaction costs	(0.8)
Gain on disposal	4.3

On 15 September 2021, the Group disposed of its operations within its 100% owned subsidiary Simply Biz Investments Limited (formerly Verbatim Investments Limited) for an initial consideration of £2.8m, and a further £3.0m contingent consideration dependent on the future performance of the operation. The Group recorded a gain on disposal of £3.5m after valuing the contingent consideration at £2.6m (see below), and deducting associated goodwill and transaction costs of £1.4m and £0.5m respectively.

Notes continued

(forming part of the financial statements)

20 Disposals continued

Future consideration of £3.0m is payable in £1.0m tranches on the second, third and fourth anniversary of the disposal date. The amount payable is the lower of £1m and £1m multiplied by the mean AUM of the fund over the preceding year as a percentage of a benchmark AUM of £650m. The mean AUM is protected against adverse market movements but is exposed to reduction in AUM in the form of redemptions. The fair value of the contingent consideration was estimated by calculating the present value of the future expected cash flows based on the mean growth across the fund over the last 4 years.

The significant unobservable inputs used in the fair value measurements categorised within level 3 of the fair value hierarchy, together with a quantitative sensitivity analysis as at 31 December 2021 are shown below:

Valuation technique	Significant unobservable inputs	Range	Sensitivity of inputs to fair value
Forward pricing model	Discount for counterparty credit risk	2021: 4.0% – 5.5% (5%)	0.5% increase results in a decrease in fair value of £40k
Forward pricing model	Assumed annual fund net inflows/outflows	2021: +10.4m per year	A 10% reduction in annual net inflow has a £nil impact on fair value

There were no disposals of subsidiaries made in 2020.

21 Trade and other receivables

	Group 31 December 2021 £m	**Company 31 December 2021 £m**	Group 31 December 2020 £m	Company 31 December 2020 £m
Current assets				
Trade receivables	**7.4**	**–**	7.4	–
Provision against receivables	**(0.5)**	**–**	(0.6)	–
	6.9	**–**	6.8	–
Amounts owed to Group undertakings	**–**	**6.4**	–	12.5
Other receivables	**0.4**	**–**	0.4	–
Prepayments	**1.1**	**–**	1.1	–
Accrued income	**1.4**	**–**	1.9	–
	9.8	**6.4**	10.2	12.5
Non-current assets				
Other receivables	**2.6**	**–**	–	–
Amounts owed by Group undertakings	**–**	**–**	–	26.2
	2.6	**–**	–	26.2

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value, less anticipated future losses.

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix, grouping trade receivables based on shared credit risk categories and ageing and determining expected loss patterns based on historical profiling across the most recent 12-month period and adjusting for forward-looking factors specific to the debtors. This is considered an appropriate representation of loss patterns.

Amounts owed by Group undertakings are repayable on demand and do not attract interest. Amounts shown as current assets are expected to be recovered within 12 months based on a normal operating cycle. The Group applies the general approach under IFRS 9 in calculating ECLs in respect of amounts owed by Group. This is a two-stage process whereby the Group would recognise a 12-month ECL for receivables for which there has not been a significant increase in credit risk since initial recognition, and lifetime ECLs for those receivables for which there has been a significant increase in credit risk. However, the Group has not identified a material risk of default in respect of these receivables and therefore, has not recognised a ECL provision.

Other receivables, non-current, relates to contingent consideration owing from the strategic disposal of operations. Refer to note 20 for further details.

Set out below is the information about the credit risk exposure on the Group's trade receivables.

The ageing profile of overdue trade receivables was as follows:

	Group 31 December 2021 £m	Group 31 December 2020 £m
31 – 60 days	**0.6**	0.7
61 – 90 days	**0.2**	0.2
Over 90 days	**1.2**	1.5
	2.0	2.4

The table above represents ageing of past due trade receivables which was previously disclosed based on invoice date. Comparative information has been aligned to the current period disclosure for past due trade receivables.

The Company provides against trade receivables based on the expected future loss model in IFRS 9.

Notes continued

(forming part of the financial statements)

21 Trade and other receivables continued

Movement in the provision for trade receivables was as follows:

	Group 31 December 2021 £m	Group 31 December 2020 £m
Balance at beginning of year	**0.6**	0.6
Increase for trade receivables regarded as potentially uncollectable	**0.5**	0.3
Decrease in provision – trade receivables recovered, or written off, during the year	**(0.1)**	(0.3)
Decrease in provision – entity disposed during the year	**(0.5)**	–
	0.5	0.6

22 Cash and cash equivalents

	Group 31 December 2021 £m	Company 31 December 2021 £m	Group 31 December 2020 £m	Company 31 December 2020 £m
Cash and cash equivalents	**9.4**	**0.4**	10.3	0.2

Cash and cash equivalents comprise cash at bank and cash in hand.

23 Trade and other payables

	Group 31 December 2021 £m	Company 31 December 2021 £m	Group 31 December 2020 £m	Company 31 December 2020 £m
Current liabilities				
Trade payables	**1.3**	**–**	1.5	–
Amounts owed to Group undertakings	**–**	**5.3**	–	–
Other tax and social security	**2.5**	**–**	3.5	–
Other payables	**0.6**	**–**	0.6	–
Deferred income	**8.1**	**–**	7.3	–
Accruals	**4.5**	**0.1**	4.6	–
	17.0	**5.4**	17.5	–

The Directors consider that the carrying amount of trade and other payables approximates to their fair value.

Deferred income primarily relates to the advance consideration received from customers for predominantly Fintech & Research & products. The deferred income will be recognised over the course of the following year.

24 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Group's and Company's interest-bearing loans and borrowings.

	Group 31 December 2021 £m	Company 31 December 2021 £m	Group 31 December 2020 £m	Company 31 December 2020 £m
Current				
Secured bank loan	**–**	**–**	–	–
Lease liability	**0.4**	**–**	0.6	–
	0.4	**–**	0.6	–
Non-current				
Secured bank loan	**6.8**	**6.8**	29.7	29.7
Lease liability	**3.2**	**–**	4.5	–
	10.0	**6.8**	34.2	29.7

Changes in liabilities from financing activities:

	Loans and borrowings £m	Lease Liability £m
Balance at 1 January 2020	37.7	2.7
Cashflows (i)	(9.0)	(1.0)
New leases	–	3.2
Other non-cash changes (i)	1.0	0.2
At December 2020	29.7	5.1
Cashflows (i)	(23.5)	(0.8)
New leases	–	0.3
Disposed leases	–	(1.1)
Other non-cash changes (i)	0.6	0.1
Balance at 31 December 2021	**6.8**	**3.6**

(i) Cash flows and other non-cash changes

Cash flows on bank loans include £23.0m net borrowings repaid (2020: £8.0m net repayment) and interest payments made of £0.5m (2020: £1.0m). Cash flows from lease liabilities include £1.0m of lease payments (2020: £1.0m).

Other non-cash changes on bank loans include interest charges of £0.6m (2020: £1.0m). Other non-cash changes on lease liabilities include interest charges of £0.1m (2020: £0.2m).

Notes continued

(forming part of the financial statements)

25 Leases

The Group leases office facilities, IT equipment and motor vehicles.

Information about leases for which the Group is a lessee is presented below.

Right-of-use assets

Right-of-use assets related to leased properties are presented in note 17 property, plant and equipment.

Lease liabilities

The following lease liabilities existed at 31 December:

	Group 31 December 2021 £m	Group 31 December 2020 £m
Current	**0.4**	0.6
Non-current	**3.2**	4.5
	3.6	5.1

During 2020, the Group entered into a significant lease contract for its head office with an option to purchase the building, which management expects to exercise. The lease asset and liability were valued at £2.7m on inception, which includes the purchase option (note 17). All other leases are on fixed repayment basis and no arrangement has been entered into for contingent rental payments. Interest rates are fixed at contract date for all leases.

Amounts recognised in the statement of profit and loss

	31 December 2021 £m	31 December 2020 £m
Interest on lease liabilities	**0.1**	0.1
Expense relating to short-term leases	**0.1**	—
Depreciation of lease asset	**0.6**	0.8

No short-term or low value leases existed during 2021 and as at 31 December 2021.

26 Deferred taxation

	Group 31 December 2021 £m	**Company 31 December 2021 £m**	Group 31 December 2020 £m	Company 31 December 2020 £m
Deferred taxation				
Balance at the beginning of the year	**(5.1)**	**—**	(4.0)	—
Disposal of subsidiary	**0.3**	**—**	—	—
Recognised in profit or loss	**(0.6)**	**—**	—	—
Recognised in equity	**—**	**—**	(1.1)	—
Balance at the end of the year	**(5.4)**	**—**	(5.1)	—

	Short-term timing differences £m	Accelerated capital allowances £m	Other timing differences £m	Total £m
Balance at 1 January 2021	(5.0)	(0.1)	—	(5.1)
Disposals	0.3	—	—	0.3
Charge to profit or loss	(0.6)	—	—	(0.6)
Balance at 31 December 2021	**(5.3)**	**(0.1)**	**—**	**(5.4)**

	Short-term timing differences £m	Accelerated capital allowances £m	Other timing differences £m	Total £m
Balance at 1 January 2020	(4.0)	—	—	(4.0)
Credit/(charge) to profit or loss	0.1	(0.1)	—	—
Recognised in equity	(1.1)	—	—	(1.1)
Balance at 31 December 2020	(5.0)	(0.1)	—	(5.1)

Notes continued

(forming part of the financial statements)

26 Deferred taxation continued

Deferred tax assets and liabilities are attributable to the following:

Group	Assets 31 December 2021 £m	Liabilities 31 December 2021 £m	Net 31 December 2021 £m	Assets 31 December 2020 £m	Liabilities 31 December 2020 £m	Net 31 December 2020 £m
Short-term timing differences	**0.3**	**(5.6)**	**(5.3)**	0.2	(5.2)	(5.0)
Accelerated capital allowances	**0.1**	**(0.2)**	**(0.1)**	—	(0.1)	(0.1)
Net tax assets/ (liabilities)	**0.4**	**(5.8)**	**(5.4)**	0.2	(5.3)	(5.1)

The Company has a deferred tax liability of £18,000 (2020: £17,000) in relation to short-term timing differences.

Tax losses of £0.1m (2020: £0.1m) has been recognised in a specific subsidiary on the basis of expected future profits. The Group has £1.0m (2020: £0.8m) of other tax losses, on which no deferred tax assets have been recognised, due to uncertainty over the future utilisation of the losses, as they exist in specific subsidiaries and are not available for loss relief. The deferred tax liability includes £5.3m (2020: £4.5m) of short-term timing differences on the other intangible assets arising in the Defaqto acquisition.

A deferred tax charge of £nil (2020: £1.1m deferred tax charge) has been recognised in equity in relation to the reversal of deferred tax on the MIP share option plan because the MIP did not exceed the equity vesting hurdle as at 31 December 2020.

The deferred tax asset includes £nil (2020: £nil) that is classified as non-current.

27 Capital and reserves

Share capital

	Ordinary Shares
Number of fully paid shares (nominal value £0.01):	
At 1 January 2020	96,782,296
Issue of share capital	24,316
At 31 December 2020	96,806,612
Issue of share capital	6,072,218
At 31 December 2021	**102,878,830**

On 11 November 2021, the Company issued 5,232,335 new Ordinary Shares of 1 pence each in the Company ("MIP Shares") following the conversion of Ordinary Shares of Simply Biz Limited (the "A Shares") as prescribed under the Management Incentive Plan (the "MIP"). The A Shares were subscribed for on IPO and vested and became exercisable from 4 April 2021 in accordance with the rules of the MIP. The remaining 839,883 shares issued during the year relate to the open share option schemes detailed in note 28.

	Share premium £m
At 1 January 2020	64.8
Issue of share capital	—
At 31 December 2020	64.8
Issue of share capital	0.8
At 31 December 2021	**65.6**

Notes continued

(forming part of the financial statements)

28 Share-based payment arrangements

At 31 December 2021, the Group had the following share-based payment arrangements.

Issued in 2018

Company Share Option Plan ("CSOP")

On 4 April 2018, the Group established the Company Share Option Plan ("CSOP"), which granted share options to certain key management personnel. The CSOP consists of two parts, and all options are to be settled by physical delivery of shares. The terms and conditions of the share option schemes granted during the year ended 31 December 2018 are as follows:

Scheme	Grant date	Number of awards	Vesting conditions	Contractual life of options
Approved Scheme	4 April 2018	229,412	3 years' service from grant date	3 to 10 years
Unapproved Scheme	4 April 2018	250,000	3 years' service from grant date	3 to 10 years

During 2021 no awards (2020: 20,588) under the above plans have been forfeited as a result of bad leavers.

Management Incentive Plan ("MIP")

On 4 April 2018, the Group established the Management Incentive Plan ("MIP") which invited eligible employees to subscribe for A Shares in the Company's subsidiary Simply Biz Limited. Participants have a put option to sell the A Shares to the Company in exchange for Ordinary Shares of the Company at any point between three years and ten years after the date of grant, provided that they are still employed (or treated as a good leaver) and an equity hurdle is met. The terms and conditions of the MIP are as follows:

Grant date	Number of awards	Vesting conditions	Contractual life of options
4 April 2018	2,250	3 years' service from grant date, subject to an equity hurdle of 40% above the IPO market capitalisation	3 to 10 years

The MIP has been satisfied in the year via an allotment of 5,232,335 new Ordinary Shares at 1 pence each. No further awards will be made under the MIP and the scheme is now closed.

The fair value of services received in return for share options granted is based on the fair value of the share options granted. The fair value has been measured using the Black Scholes model for the unapproved CSOP scheme, and the Monte Carlo model for the MIP and approved CSOP scheme.

The following inputs were used in the measurement of the fair values at grant date of the share-based payment plans:

	Approved CSOP	Unapproved CSOP	Management Incentive Plan
Fair value at grant date	£0.64	£1.59	£290.22
Share price at grant date	£1.70	£1.70	£1.70
Exercise price	£1.70	£0.01	£1.79
Expected volatility	40%	40%	40%
Option life (expected weighted average life)	3	3	3
Expected dividends	2%	2%	2%
Risk-free interest rate (based on government bonds)	1.2%	1.2%	1.2%

Save As You Earn ("SAYE") scheme

On 24 September 2018, the Group established the Save As You Earn ("SAYE") scheme and invited all Group employees to enter into a three-year savings contract linked to an option which entitles them to acquire Ordinary Shares in the Company.

537,618 options were issued under the scheme, with an exercise price of £1.70. The fair value of the shares at date of grant (1 December 2018) was £0.70, and the share options are due to vest in three years. Expected volatility, dividends and the risk-free interest rate have been assumed to be consistent with the approved CSOP scheme noted above.

During 2021, 4,397 awards (2020: 82,114) have been forfeited as a result of bad leavers. The scheme has now vested and scheme participants have six months to exercise their options.

Issued in 2019

Company Share Option Plan ("CSOP")

In September 2019, the Group established an additional Company Share Option Plan ("CSOP"), which granted share options to certain key management personnel. The CSOP consists of two parts, and all options are to be settled by physical delivery of shares. The terms and conditions of the share option schemes granted during the year ended 31 December 2019 are as follows:

Scheme	Grant date	Number of awards	Vesting conditions	Contractual life of options
Approved Scheme	26 September 2019	15,564	3 years' service from grant date	3 to 10 years
Unapproved Scheme	26 September 2019	61,302	2 years' service from grant date	3 to 10 years
Unapproved Scheme	26 September 2019	90,791	1.52 years' service from grant date	3 to 10 years

The fair value of services received in return for share options granted is based on the fair value of the share options granted. The fair value has been measured using the Black Scholes model.

Notes continued

(forming part of the financial statements)

28 Share-based payment arrangements continued

Issued in 2019 continued

The following inputs were used in the measurement of the fair values at grant date of the share-based payment plans:

	Approved CSOP	Unapproved CSOP	Unapproved CSOP
Fair value at grant date	£0.54	£1.84	£1.86
Share price at grant date	£1.93	£1.93	£1.93
Exercise price	£1.93	£0.01	£0.01
Expected volatility	45%	45%	45%
Option life (expected weighted average life)	3	2	1.52
Expected dividends	2%	2%	2%
Risk-free interest rate (based on government bonds)	1.3%	1.3%	1.3%

Save As You Earn ("SAYE") scheme

On 26 September 2019, the Group established the 2019 Save As You Earn ("SAYE") scheme and invited all Group employees to enter into a three-year savings contract linked to an option which entitles them to acquire Ordinary Shares in the Company.

375,145 options were issued under the scheme, with an exercise price of £1.58. The fair value of the shares at date of grant (1 December 2019) was £0.70, and the share options are due to vest in three years. Expected volatility, dividends and the risk-free interest rate have been assumed to be consistent with the approved CSOP scheme noted above.

During 2021, 28,027 (2020: 45,393) shares have been forfeited as a result of bad leavers. An assumed retention rate of 75% (2020: 75%) has been applied at 31 December 2021 on the outstanding shares.

Issued in 2020

Company Share Option Plan ("CSOP")

In March 2020, the Group established an additional Company Share Option Plan ("CSOP"), which granted share options to certain key management personnel. The scheme is an Unapproved Scheme with a grant date of 11 March 2020. 218,084 options were issued. The terms and conditions of the share option schemes granted during the year ended 31 December 2020 are as follows:

	Unapproved CSOP
Fair value at grant date	£1.77
Share price at grant date	£1.82
Exercise price	£0.01
Expected volatility	45%
Option life (expected weighted average life)	1.07
Expected dividends	2%
Risk-free interest rate (based on government bonds)	1.0%

The scheme has been accounted for as an equity-settled scheme in line with the Groups expectation of final settlement. The Group has a past practice of settling similar schemes as via equity.

Issued in 2021

Value Builder Plan (Tranche 1)

On 1 May 2021, the Group established the Value Builder Plan (the "VB Plan") which creates a Value Pot consisting of a fixed allocation of 100 notional Units. The Units are to be settled at the discretion of the Remuneration Committee ("RemCo") in either Fintel Ordinary Shares or cash, subject to a growth in market capitalisation and a floor of earnings per share ("EPS") growth.

Grant date	Number of awards	Vesting conditions	Contractual life of options
1 May 2021	100	3 years' service from grant date, subject to achieving a percentage growth in EPS of RPI over the performance period plus 3%	3 to 10 years

Save As You Earn ("SAYE") scheme

On 26 September 2019, the Group established the 2021 Save As You Earn ("SAYE") scheme and invited all Group employees to enter into a three-year savings contract linked to an option which entitles them to acquire Ordinary Shares in the Company.

293,362 options were issued under the scheme, with an exercise price of £1.76. The fair value of the shares at date of grant (1 July 2021) was £0.84, and the share options are due to vest in three years. Expected volatility, dividends and the risk-free interest rate have been assumed to be consistent with the approved CSOP scheme noted above.

Notes continued

(forming part of the financial statements)

28 Share-based payment arrangements continued

Issued in 2021 continued

Save As You Earn ("SAYE") scheme continued

During 2021, 28,027 (2020: 45,393) shares have been forfeited as a result of bad leavers. An assumed retention rate of 75% (2020: 75%) has been applied at 31 December 2021 on the outstanding shares.

The fair value of services received in return for share options granted is based on the fair value of the share options granted. The fair value has been measured using the Monte Carlo model for the VB Plan, and the Black Scholes model for the SAYE scheme. The following inputs were used in the measurement of the fair values at grant date of the share-based payment plans:

	Save As You Earn Scheme	Value Builder Plan
Fair value at grant date	£0.84	£37,000
Share price at grant date	£2.33	£2.17
Exercise price	£1.76	£nil
Expected volatility	45%	45%
Option life (expected weighted average life)	3	2.42
Expected dividends	2%	2%
Risk-free interest rate (based on government bonds)	0.18%	0.46%

Reconciliation of outstanding share options

The number and weighted average exercise prices of share options under the share option programmes were as follows:

	Number of options 31 December 2021	**Weighted average exercise price 31 December 2021 £**	Number of options 31 December 2020	Weighted average exercise price 31 December 2020 £
Outstanding at 1 January	**1,495,431**	**0.98**	1,450,680	1.20
Forfeited during the year	**(63,979)**	**1.65**	(148,095)	1.66
Exercised during the year	**(612,032)**	**0.77**	(25,238)	1.70
Granted during the year	**293,362**	**1.76**	218,084	0.01
Outstanding at 31 December	**1,112,782**	**1.27**	1,495,431	0.98
Exercisable at 31 December	**524,745**	**0.81**	—	—

The options outstanding at 31 December 2021 had an exercise price in the range of £0.01 to £1.93 (2020: £0.01 to £1.93) and a weighted average contractual life of 2.1 years (2020: 2.6 years).

29 Other reserves

Group	Merger reserve £m	Share option reserve £m	Total £m
At 1 January 2020	(53.9)	1.9	(52.0)
Share option charge	—	0.9	0.9
Deferred tax on share options exceeding profit or loss charge	—	(1.1)	(1.1)
At 31 December 2020	(53.9)	1.7	(52.2)
Share option charge	—	1.1	1.1
Release of share option reserve	—	(1.3)	(1.3)
Tax on share options exceeding profit or loss charge	—	0.1	0.1
At 31 December 2021	**(53.9)**	**1.6**	**(52.3)**

Company	Merger reserve £m	Share option reserve £m	Total £m
At 1 January 2020	7.5	0.8	8.3
Share option charge	—	0.9	0.9
At 31 December 2020	7.5	1.7	9.2
Share option charge	—	1.1	1.1
Release of share option reserve	—	(1.3)	(1.3)
At 31 December 2021	**7.5**	**1.5**	**9.0**

Notes continued

(forming part of the financial statements)

30 Notes to the cash flow statement

	Year ended 31 December 2021 £m	Year ended 31 December 2020 £m
Cash flow from operating activities		
Profit after taxation	**15.6**	8.2
Add back:		
Finance income	**—**	(0.1)
Finance cost	**0.7**	1.3
Taxation	**4.3**	2.0
	20.6	11.4
Adjustments for:		
Amortisation of development expenditure and software (note 18)	**1.5**	1.1
Depreciation of lease asset	**0.6**	0.8
Depreciation of property, plant and equipment	**0.3**	0.3
Amortisation of other intangible assets	**2.0**	2.0
Share option charge	**1.1**	0.9
Profit on sale of subsidiary	**(4.3)**	—
Profit on sale of operations	**(3.5)**	—
Operating cash flow before movements in working capital	**18.3**	16.5
(Increase)/decrease in receivables	**(0.6)**	1.6
Increase in trade and other payables	**1.2**	0.9
Cash generated from operations	**18.9**	19.0
Income taxes paid	**(1.8)**	(2.4)
Net cash generated from operating activities	**17.1**	16.6

31 Government grants

The Group has received financial assistance during the current and prior year from the Coronavirus Job Retention Scheme. These amounts have been recognised in the statement of profit or loss and the Group has elected to offset the grants received against the relevant payroll expense. £0.1m of grants were received in the year (2020: £1.2m) and there are no unfulfilled conditions and other contingencies attached to the amounts received.

32 Contingencies

All companies marked with an asterisk in note 19 are party to a cross-guarantee against the bank loans of Fintel plc. The total amount outstanding at 31 December 2021 amounted to £7.0m (2020: £30.0m).

33 Pension and other post-retirement benefit commitments

Defined contribution

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund. At the year end, pension contributions of £0.1m (2020: £0.2m) were outstanding.

34 Related parties

Group

Identity of related parties with which the Group has transacted

Kirklees Stadium Development Limited (a company in which Ken Davy is a Director): Kirklees Stadium Development Limited was paid £760 (2020: £108,000) by the Group for property costs and other services during the year. Amounts owed at the year end totalled £nil (2020: £nil).

Portus Felix Limited (a company in which Ken Davy is a connected party): Portus Felix Limited was paid £251,000 (2020: £208,000) by the Group for property costs and other services during the year. Amounts owed at the year end totalled £nil (2020: £nil). The Group expects to pay a further £2.5m in property costs.

During the year the Group paid Park Place Corporate Finance Limited an amount of £7,680 (2020: £22,000) in respect of consultancy services. Tim Clarke is a shareholder and Director of Park Place Corporate Finance Limited and also a Director of the Company. Amounts owed at the year end totalled £nil (2020: £nil).

Sandringham Financial Partners Limited (a company in which Neil Stevens and Matt Timmins were previously shareholders; Clear View Assured Limited is also a shareholder in Sandringham Financial Partners Limited, in which various Directors of the Company were previously shareholders): The Group paid expenses on behalf of Sandringham Financial Partners Limited of £nil (2020: £4,000). The balance at the end of the year held in debtors was £nil (2020: £nil). Sandringham Financial Partners Limited are also members of the Group's Mortgage Club, in which the Group earned total commission revenues of £66,000 (2020: £66,000). These transactions were conducted at an arm's length basis.

During the year, Huddersfield Giants Limited (a company in which Ken Davy is a Director) was paid £nil (2020: £4,000) by the Group for corporate hospitality. Amounts owed at the year end totalled £nil (2020: £nil).

Notes continued

(forming part of the financial statements)

34 Related parties continued

Group continued

Identity of related parties with which the Group has transacted continued

During the year the Group paid Sarah Turvey £5,000 (2020: £5,000) in relation to the hire of storage space. Amounts owed at the year end totalled £nil (2020: £nil).

Transactions with key management personnel

During the year Gary Hughes, Matt Timmins and Neil Stevens paid £4,500 (2020: £4,000) in total to sponsor a member of the Glasgow Rocks Basketball Team (an organisation part-owned by Gary Hughes). The sponsorship was gifted for £nil to Compliance First, one of the Group's trading brands.

Dividends to Directors

	Group 31 December 2021 £m	Group 31 December 2020 £m
Ken Davy	**1.2**	0.8
Matt Timmins	**0.1**	0.1
Neil Stevens	**0.1**	0.1
	1.4	1.0

35 Client monies

As at 31 December 2021, monies held by subsidiaries in separate bank accounts on behalf of clients amounted to £21.7m (2020: £19.7m). Neither this amount, nor the matching liabilities to the clients concerned are included in the Group balance sheet.

36 Ultimate controlling party

The Directors believe that there is no ultimate controlling party of the Group.

Notice of annual general meeting

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant, or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your shares in the capital of the Company, please forward this document to the purchaser or transferee, or to the stockbroker, bank or other person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Fintel plc (the Company)

(incorporated in England & Wales with registered number 09619906)

Directors:

Ken Davy (Chair)
Neil Stevens (Joint CEO)
Matt Timmins (Joint CEO)
David Thompson (Chief Financial Officer)
Imogen Joss (Senior Independent Non-Executive Director)
Tim Clarke (Independent Non-Executive Director)

Registered Office:

Fintel plc
Fintel House
St Andrew's Road
Huddersfield
HD1 6NA

21 March 2022

To the holders of Ordinary Shares

Dear Shareholder

2022 Annual General Meeting

On behalf of the directors of Fintel plc (together the 'Directors'), it gives me great pleasure to invite you to attend the Annual General Meeting (or 'AGM') of Fintel plc (the 'Company') which will be held at Fintel House, St Andrew's Road, Huddersfield, HD1 6NA on Tuesday 17 May 2022 at 12:30pm (UK time).

A copy of the 2021 Annual Report and Accounts is enclosed. This contains the financial statements for the year ended 31 December 2021. A resolution relating to the financial statements is included in the ordinary business of the AGM.

The formal Notice of AGM is set out on pages 93 to 95 of this document, detailing the resolutions that the shareholders are being asked to vote on with explanatory notes of the business to be conducted at the AGM on pages 97 to 99. Details of the arrangements for the AGM are set out on pages 96 to 97.

I, and my fellow directors, look forward to meeting shareholders in person once more and having opportunity to welcome you to our new office facility. Shareholders who are unable to attend in person are encouraged to send in their votes using their proxy cards and submit any questions to us at companysecretary@fintelplc.com. To view a copy of any of the following documents prior to the meeting please email the Company Secretary at companysecretary@fintelplc.com:

i. the executive directors' service agreements; and

ii. the non-executive directors' letters of appointment.

Action to be taken

Shareholders are requested to ensure any proxy appointments are received by 12:30pm on 13 May 2022. The easiest way to do this is to visit www.signalshares.com and following the instructions for electronic submission. Alternative methods are outlined in paragraphs 2 and 3 of the section marked "Important Information" within the notice.

Recommendation

The Directors believe that the resolutions set out in the Notice of AGM are in the best interests of the Company and its shareholders as a whole and unanimously recommend that shareholders vote in favour of all of the resolutions to be proposed at the AGM. The Directors who own Ordinary Shares intend to vote in favour of the resolutions to be proposed at the AGM.

Yours faithfully

Ken Davy
Chairman

Notice of annual general meeting continued

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the annual general meeting of the Company will be held on 17 May 2022 at 12:30pm at Fintel House, St Andrew's Road, Huddersfield, HD1 6NA for the transaction of the following business:

ORDINARY RESOLUTIONS

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

Financial statement and reports

1 To receive the annual accounts and reports of the Company and the auditor's report on those accounts and reports for the financial year ended 31 December 2021.

Final dividend

2 To declare a final dividend upon the recommendation of the directors for the year ended 31 December 2021 of 2 pence per ordinary share payable on 7 June 2022 to shareholders on the register at the close of business on 29 April 2022, with an ex-dividend date of 28 April 2022.

Directors (re-)election

3 To re-elect Ken Davy as a director of the Company.

4 To re-elect Neil Stevens as a director of the Company.

5 To re-elect Matt Timmins as a director of the Company.

6 To re-elect Tim Clarke as a director of the Company.

7 To re-elect David Thompson as a director of the Company.

8 To re-elect Imogen Joss as a director of the Company.

Auditor's appointment and remuneration

9 To appoint Ernst & Young LLP (EY) as auditors of the Company to hold office from the conclusion of this meeting until such time that the appointment of a successor auditor is approved by the Directors.

10 To authorise the directors to fix the remuneration of the auditors of the Company.

Authority for political donations or expenditure

11 That, in accordance with section 366 of the Companies Act 2006, to authorise the Company, and all companies that are its subsidiaries at any time during the period for which this resolution has effect, to make political donations and incur political expenditure (as such terms are defined in sections 364 and 365 of the Companies Act 2006) not exceeding £25,000 in aggregate during the period beginning with the date of the passing of this resolution to the conclusion of the next annual general meeting of the Company.

Authority to allot shares

12 That, subject to and in accordance with Article 12 of the Articles of Association of the Company and pursuant to section 551 of the Companies Act 2006, the directors be generally and unconditionally authorised to allot shares in the Company and grant rights to subscribe or to convert any security into shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company as follows:

12.1 up to an aggregate nominal amount of £339,691.83 in connection with the allotment of equity securities (within the meaning of section 560 of the Companies Act 2006) in connection with an offer or issue by way of rights, open for acceptance for a period fixed by the directors, to holders of ordinary shares (other than the Company) on the register on any record date fixed by the directors in proportion (as nearly may be) to the respective number of ordinary shares deemed to be held by them;

12.2 otherwise than pursuant to paragraphs 12.1 above up to an aggregate nominal amount of £339,691.83 to such persons at such times and generally on such terms and conditions as the directors may determine

provided that this authority shall expire (unless previously varied as to duration, revoked or renewed by the Company in general meeting) at the end of the next annual general meeting of the Company, or, if earlier, at the close of business on the date 15 months after the date of this resolution, save that the Company may during the relevant period make any offer or agreement which would or might require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority expires, and the directors may allot shares or grant such rights in pursuance of such offer or agreement as if the authority had not expired.

This resolution revokes and replaces all unexercised authorities previously granted to the directors to allot shares in the Company and to grant rights to subscribe for or to convert any security into, shares in the Company but is without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

Notice of annual general meeting continued

SPECIAL RESOLUTIONS

To consider and, if thought fit, approve the following resolutions that will be proposed as special resolutions:

Disapplication of pre-emption rights

13 That if resolution 12 is passed, the directors be empowered pursuant to section 570 of the Companies Act 2006 to allot equity securities (as defined in section 560 of that Act) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash, in each case as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be limited to:

13.1 any such allotment and/or sale of equity securities in connection with an offer or issue by way of rights or other pre-emptive offer or issue, open for acceptance for a period fixed by the directors, to holders of ordinary shares (other than the Company) on the register on any record date fixed by the directors in proportion (as nearly as may be) to the respective number of ordinary shares deemed to be held by them, subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements, legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever;

13.2 the allotment of equity securities or sale of treasury shares, otherwise than pursuant to paragraph 13.1 of this resolution, up to a nominal amount of £51,468.46,

such authority to expire at the end of the next annual general meeting of the Company or, if earlier, at the close of business on the date 15 months after the date of this resolution, but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

Additional disapplication of pre-emption rights — acquisitions

14 That if resolution 12 is passed, the directors be empowered in addition to any authority granted under resolution 12 pursuant to section 570 of the Companies Act 2006 to allot equity securities (as defined in section 560 of that Act) for cash pursuant to the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash, in each case as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be;

14.1 limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £51,468.46, and

14.2 used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the directors of the Company determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice,

such authority to expire at the end of the next annual general meeting of the Company or, if earlier, at the close of business on the date 15 months after the date of this resolution, but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

This resolution revokes and replaces all unexercised powers previously granted to the directors to allot equity securities as if section 561(1) of the Act did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

Additional disapplication of pre-emption rights — Members Share Option Plan

15 That if resolution 12 is passed, the directors be empowered pursuant to section 570 of the Companies Act 2006 to allot equity securities (as defined in section 560 of that Act) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash, in each case as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be limited to up to an aggregate nominal amount of £33,695 in connection with the issue of ordinary shares pursuant to the Company's member share option plan, such authority to expire at the end of the next annual general meeting of the Company or, if earlier, at the close of business on the date 15 months after the date of this resolution, but, in each case, prior to its expiry the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the authority expires and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

Notice of annual general meeting continued

SPECIAL RESOLUTIONS continued

Purchase of own shares

16 That the Company is generally and unconditionally authorised for the purpose of section 701 of the Companies Act 2006 to make market purchases (within the meaning of section 693(4) of that Act) of ordinary shares of £0.01 each in the capital of the Company, on such terms and in such manner as the directors may from time to time determine, provided that:

16.1 the maximum aggregate number of ordinary shares that may be purchased is £102,936.92, representing approximately 10% of the Company's issued ordinary share capital (excluding treasury shares) as at 21 March 2022 (the latest practicable date prior to publication of this notice);

16.2 the minimum price (excluding expenses) that may be paid for each ordinary share is £0.01;

16.3 the maximum price (excluding expenses) that may be paid for each ordinary share is the higher of:

16.3.1 105% of the middle market quotation of an ordinary share in the capital of the Company for the five business days immediately prior to the day the purchase is made, the middle market quotation being derived from the AIM Appendix to the Daily Official List of the London Stock Exchange;

16.3.2 the value of an ordinary share in the capital of the Company, being the higher of:

(a) the price of the last independent trade in such a share on the trading venue where the purchase is carried out; and

(b) the highest current independent bid for such a share on such trading venue;

16.4 this authority shall expire on the earlier of the conclusion of the Company's next annual general meeting after the passing of this resolution and the date 15 months after the date of this resolution; and

16.5 the Company may make a contract for the purchase of ordinary shares under this authority before it expires, notwithstanding that such contract will, or might, have its terms executed wholly or partly after this authority expires, and the Company may make a purchase pursuant to such a contract after the expiry of this authority.

Shorter notice of general meetings

17 That a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

By order of the Board

Vicky Williams
Company Secretary

Notice of annual general meeting continued

IMPORTANT INFORMATION:

The following notes explain your general rights as a shareholder and your right to attend and vote at the AGM or to appoint someone else to vote on your behalf.

1 A shareholder entitled to attend and vote at the AGM may appoint a proxy or proxies (who need not be a shareholder or shareholders of the Company) to exercise all or any of that shareholder's rights to attend, speak and vote at the AGM. Where more than one proxy is appointed, each proxy must be appointed for different shares.

2 Proxies may only be appointed by:

2.1 making an online proxy appointment by going to www.signalshares.com and following the instructions for electronic submission provided there; or

2.2 requesting a paper proxy card from the Company's registrars, Link Group on 0371 664 0391 if calling from the UK, or +44 (0) 371 664 0391 if calling from outside of the UK, or email Link at enquiries@linkgroup.co.uk

2.2.1 Forms must be completed and returned together with the power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority, to the Company's registrars, Link Group, PXS, at 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL by post or (during normal business hours only) by hand; or

2.2.2 having an appropriate CREST message transmitted through the CREST electronic proxy appointment service as described in the CREST Manual (a CREST proxy instruction). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf (see note 3 below). Please refer to the CREST Manual on the Euroclear website (www.euroclear.com/CREST) for further information.

To be effective the form of proxy or other instrument appointing a proxy must be received by the Company's registrars, or received electronically via www.signalshares.com or, in the case of shares held through CREST, via the Euroclear website, in each case not later than 12:30 pm on 13 May 2022.

Completion of a proxy form, online proxy appointment or CREST proxy instruction will not prevent a shareholder from attending and voting in person at the meeting.

3 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM and any adjournment(s) by using the procedures described in the CREST Manual (available at www.euroclear.com/CREST). CREST personal members or other CREST sponsored members and those CREST members who have appointed a voting service provider should refer to their CREST sponsor or voting service provider who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the Company's agent (ID RA10) by the latest time for receipt of proxy appointments set out in paragraph 2 above. For this purpose, the time of the receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST application host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated by other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed any voting service providers, to procedure that his CREST sponsor or voting service provider takes) such action as is necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(3)(a) of the Uncertificated Securities Regulations 2001.

4 Only those shareholders included in the register of members of the Company close of business on 13 May 2022 or, if the meeting is adjourned, on the day which is two working days before the time for holding the adjourned meeting, will be entitled to attend and to vote at the AGM in respect of the number of shares registered in their names at that time. Changes to entries on the share register after the relevant deadline will be disregarded in determining the rights of any person to attend or vote at the meeting.

5 To view a copy of the service contracts of the executive directors and the letters of appointment of the non-executive directors prior to the meeting please email the Company Secretary at companysecretary@fintelplc.com.

6 The electronic addresses provided in this notice are provided solely for the purpose of enabling shareholders to register the appointment of a proxy or proxies for the meeting or to submit their voting directions electronically. You may not use any electronic address provided in this notice to communicate with the Company for any purposes other than those expressly stated.

7 A copy of this notice, and other information required by the Companies Act 2006, can be found at www.wearefintel.com/investors/aim-rule-26/.

Notice of annual general meeting continued

IMPORTANT INFORMATION: continued

8 Shareholders have a right to ask questions relating to the business being dealt with at the meeting. The Company must answer such questions unless:

8.1 answering would interfere unduly with the preparation for the meeting or would involve the disclosure of confidential information;

8.2 the answer has already been given on a website in the form of an answer to a question; or

8.3 it is undesirable in the interests of the Company or the good order of the meeting that the question be answered,

any such questions must be emailed to the Company Secretary at companysecretary@fintelplc.com in advance of the meeting.

9 As at 21 March 2022, being the last business day prior to publication of this AGM notice, the Company's issued share capital comprised 102,936,917 ordinary shares of £0.01 each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 21 March 2022 is 102,936,917.

10 The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with section 146 of the Companies Act 2006 (nominated persons). Nominated persons may have a right under an agreement with the registered shareholder who holds the shares on their behalf to be appointed (or to have someone else appointed) as proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.

11 If you have been nominated to receive general shareholder communications directly from the Company, it is important to remember that your main contact in terms of your investment remains as it was (i.e. the registered shareholder, or perhaps custodian or broker, who administers the investment on your behalf). Therefore, any changes or queries relating to your personal details and holding (including any administration thereof) must continue to be directed to your existing contact at your investment manager or custodian. The Company cannot guarantee dealing with matters that are directed to it in error. The only exception to this is where the Company, in exercising one of its powers under the Companies Act 2006, writes to you directly for a response.

12 Voting on all resolutions at the AGM will be conducted by a poll rather than a show of hands. As soon as practicable following the AGM, the results of the voting and the numbers of proxy votes cast for and against and the number of votes actively withheld in respect of each of the resolutions will be announced via a Regulatory Information Service and also placed on the Company's website at www.wearefintel.com/investors/aim-rule-26/.

EXPLANATORY NOTES TO THE RESOLUTIONS PROPOSED AT THE ANNUAL GENERAL MEETING

The resolutions to be proposed at the AGM of the Company to be held on 17 May 2022 at 12:30pm are set out in the notice of AGM. The following notes provide an explanation to the resolutions being put to shareholders.

ORDINARY RESOLUTIONS

Resolutions 1 to 12 are proposed as ordinary resolutions. These resolutions will be passed if more than 50% of the votes are cast in favour of them.

Resolution 1 — Financial Statements and Accounts

The directors are required to present to shareholders at the AGM the reports of the directors and auditors and the audited accounts of the Company for the year ended 31 December 2021.

Resolution 2 — Final Dividend

A final dividend can only be paid after the shareholders have approved it at a general meeting. The directors are recommending a final dividend of 2 pence per ordinary share, payable to shareholders on the register at the close of business on 29 April 2022, with an ex-dividend date of 28 April 2022. If approved, the final dividend will be paid on 7 June 2022.

Resolutions 3 to 8 — Election of directors

Each of Ken Davy, Neil Stevens, Matt Timmins, Tim Clarke, Imogen Joss and David Thompson are being put forward for re-election. Having considered the performance of and contribution made by each of the directors and following performance evaluation for those directors standing for re-election, the board of directors is satisfied that, and the Chairman confirms that, the performance of each director continues to be effective and to demonstrate commitment to the role and as such the board recommends their re-election. The board re-affirms their assessment that Imogen Joss, Senior Independent Non-Executive Director and Tim Clarke, Non-Executive Director, remain independent.

A biography of each director appears on page 35 and 36 of the Company's annual report and on the Company's website at www wearefintel.com/who-we-are/about-us.

Notice of annual general meeting continued

ORDINARY RESOLUTIONS continued

Resolution 9 — Appointment of auditors

The Companies Act 2006 requires that an auditor be appointed at each general meeting at which accounts are laid to hold office until the next such meeting. The appointment of KPMG as auditors of the company terminated in January 2022 following their resignation. KPMG confirmed there are no circumstances in connection with its resignation that should be brought to the attention of the members or creditors of the Company. Following a tender for audit services the directors recommend the appointment of EY as the companies auditors.

Resolution 10 — Authorising and fixing the remuneration of the auditors

It is normal practice for shareholders to resolve at the annual general meeting that the directors decide on the level of remuneration of the auditors for the audit work to be carried out by them in the next financial year. The amount of the remuneration paid to the auditors for the next financial year will be disclosed in the next audited accounts of the Company.

Resolution 11 — Political donations

The Companies Act 2006 requires political donations and expenditure to be authorised by shareholders by ordinary resolution. Whilst it is not the intention of the Company to make any direct political donations or incur any political expenditure, the statutory provisions are very broadly drafted and may catch activities such as functions to which politicians are invited, or may extend to bodies concerned with policy review, law reform and representation of the business community that the Company and its subsidiaries might wish to support. For this reason, the Company is asking its shareholders to authorise any donations and expenditure that may fall within the remit of the Companies Act 2006, up to an aggregate amount of £25,000 for the Company and its subsidiary companies. This resolution, if passed, will renew the directors' authority until next year's annual general meeting (when the directors intend to renew this authority).

Resolution 12 — Authority to allot shares

The directors may only allot shares or grant rights over shares if authorised to do so by shareholders.

The Investment Association (IA) guidelines on authority to allot shares state that IA members will permit, and treat as routine, resolutions seeking authority to allot shares representing up to one-third of a company's issued share capital. In addition they will treat as routine a request for authority to allot shares representing an additional one third of the company's issued share capital provided that it is only used to allot shares for the purpose of a fully pre-emptive rights issue.

Accordingly, resolution 12, if passed, would authorise the directors under section 551 of the CA 2006 to allot new shares or grant rights to subscribe for, or convert any security into, new shares (subject to shareholders' pre-emption rights) up to a maximum nominal amount of £679,383.65, representing the IA guideline limit of approximately 66% of the Company's issued ordinary share capital as at 21 March 2022 (being the latest practicable date prior to the publication of this document).

Resolution 12.1 would give the directors authority to allot new shares or grant rights to subscribe for, or convert any security into, new shares, up to an aggregate nominal value of £339,691.83, representing approximately one third of the Company's existing issued share capital in connection with a rights issue in favour of ordinary shareholders.

Resolution 12.2, if passed, would give the directors general authority to allot new shares or grant rights to subscribe for, or convert any security into, new shares, up to an aggregate nominal value of £339,691.83, representing approximately one third of the Company's existing issued share capital. As resolution 12.2 imposes no restrictions on the way the authority may be exercised, it could be used in conjunction with resolution 12.1 so as to enable the whole two-thirds to be used in connection with a rights issue. Where the usage of this authority exceeds one-third of the issued share capital, the directors intend to follow best practice as regards its use.

The authority will expire at the earlier of the conclusion of the next annual general meeting of the Company and the date 15 months after the date of the resolution.

Passing this resolution will ensure that the directors continue to have the flexibility to act in the best interests of shareholders, when opportunities arise, by issuing new shares. There are no current plans to issue new shares except in connection with employee share schemes.

The Company does not at present hold any shares in treasury.

Notice of annual general meeting continued

SPECIAL RESOLUTIONS

Resolutions 13 to 17 are special resolutions. These resolutions will be passed if not less than 75% of the votes are cast in favour of them.

Resolution 13 — Disapplication of pre-emption rights, Resolution 14 — Additional disapplication of pre-emption rights for acquisitions and Resolution 15 — Disapplication of pre-emption rights in connection with the existing member share option plan

The CA 2006 requires that if the Company issues new shares or grants rights to subscribe for or to convert any security into shares for cash, or sells any treasury shares, it must first offer them to existing shareholders in proportion to their current holdings. In certain circumstances, it may be in the best interests of the Company to allot shares (or to grant rights over shares) for cash without first offering them proportionately to existing shareholders. This cannot be done under the CA 2006 unless the shareholders have first waived their pre-emption rights. In accordance with investor guidelines, therefore, approval is sought by the directors to issue a limited number of ordinary shares for cash without first offering them to existing shareholders.

Resolution 13 contains a two-part disapplication of pre-emption rights which seeks the directors' authority to issue equity securities of the Company for cash without application of pre-emption rights pursuant to section 561 of the CA 2006.

Resolution 13 seeks a disapplication of the pre-emption rights on a rights issue or other pre-emptive offer so as to allow the directors to make exclusions or such other arrangements as may be appropriate to resolve legal or practical problems which might arise, for example, with overseas shareholders.

Other than in connection with a rights or other pre-emptive issue, scrip dividend or other similar issue, the authority contained in resolution 13 would be limited to a maximum nominal amount of £51,468.46 (which would equate to 5,146,846 ordinary shares of £0.01 each), representing approximately 5% of the Company's issued share capital as at 21 March 2022, being the latest practicable date prior to the publication of this AGM notice.

Resolution 14 is an optional disapplication of pre-emption rights limited to an additional 5% of issued ordinary share capital to be used for transactions which the directors determine to be an acquisition or specified capital investment. The authority contained in the resolution would be limited to a maximum nominal amount of £51,468.46 (which would equate to 5,146,846 ordinary shares of £0.01 each), representing approximately 5% of the Company's issued share capital as at 21 March 2022, being the latest practicable date prior to the publication of this AGM notice.

Resolution 15 seeks a disapplication of the pre-emption rights in connection with the issue of ordinary shares pursuant to the Company's existing member share option plan. The authority contained in the resolution would be limited to £33,695 being the amount of shares remaining to be issued pursuant to the terms of the member share option plan.

If passed, these authorities will expire at the same time as the authority to allot shares given pursuant to resolution 12 (Authority to allot shares).

Save for share issues in respect of employee share schemes and any share dividend alternatives, the directors have no current plans to utilise either of the authorities sought by resolutions 12 (Authority to allot shares), 13 (Disapplication of pre-emption rights), 14 (Additional disapplication of pre-emption rights – acquisitions) and 15 ((Disapplication of pre-emption rights – Member Share Option Plan), although they consider their renewal appropriate in order to retain maximum flexibility to take advantage of business opportunities as they arise.

Resolution 16 — Purchase of own shares

This resolution seeks authority for the Company to make market purchases of its own shares and is proposed as a special resolution. If passed, the resolution gives authority for the Company to purchase a maximum of £102,936.92 of its ordinary shares in aggregate, representing approximately 10% of the Company's issued ordinary share capital (excluding treasury shares) as at 21 March 2022, being the latest practicable date prior to publication of this AGM notice.

The resolution specifies the minimum and maximum prices (excluding expenses) that may be paid for any ordinary shares purchased under this authority. This authority will expire on the earlier of the conclusion of the Company's next annual general meeting and the date 15 months after the date of this resolution.

The directors have no present intention of exercising the authority granted by this resolution, but will keep the matter under review, taking into account the financial resources of the Company, the Company's share price and future funding opportunities. The directors will only exercise the authority granted by this resolution to purchase ordinary shares if they consider that such purchases will be in the best interests of shareholders generally and will result in an increase in earnings per ordinary share for the remaining shareholders.

Resolution 17 — Shorter notice of general meetings

Under the Companies Act 2006 all listed company general meetings must be held on at least 21 days' notice, but companies may reduce this period to 14 days (other than for annual general meetings) if shareholders agree to a shorter notice period and the Company has met certain requirements for electronic voting. Resolution 17 is therefore being proposed as a special resolution to renew the authority granted by shareholders at last year's annual general meeting which permitted the Company to call general meetings, other than AGMs, on 14 clear days' notice. If the resolution is passed, the authority conferred would be effective until the Company's next annual general meeting, when it is intended that the approval be renewed.

The directors confirm that the shorter notice period would not be used as a matter of routine. The directors will consider on a case-by-case basis whether the use of the flexibility offered by the shorter notice period is merited taking into account all the circumstances, including whether the business of the meeting is time sensitive. An electronic voting facility will be made available to all shareholders for any meeting held on 14 clear days' notice.

Company information

Financial calendar

Trading statement for 6 months ending 30 June 2022	To be published July 2022
Interim results for 6 months ending 30 June 2022	To be published September 2022
Full year results for 12 months ending 31 December 2022	To be published March 2023
Annual report publication	To be published April 2023

Company Secretary

Vicky Williams

companysecretary@fintelplc.com

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