INSPIRING BETTER OUTCOMES

Fintel plc
Annual report and accounts 2022

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

- Continued growth in recurring revenue across all three operating divisions
  - Significant progress in conversion of partner revenue to Distribution as a Service subscription agreements
- Multiple growth drivers
  - Extension of core compliance offering
  - Major upgrade to our proprietary financial planning technology
  - Continued expansion of Defaqto's research and ratings platform
  - Launch of Fintel Labs incubator to strengthen technology proposition and support innovation across the market
  - Selective M&A pipeline expected to enhance growth in the medium term

Financial highlights

- Core* revenue growth of 8% to £56.4m (FY21: £52.2m)
- Core adjusted EBITDA growth of 9% to £18.6m (FY21: £17.1m)
- Statutory revenue growth of 4% to £66.5m (FY21: £63.9m)
- Strong balance sheet with positive net cash of £12.8m (FY21: £2.6m) and £80m revolving credit facility, fully repaid and undrawn since June 2022
- Final dividend of 2.25 pence per share resulting in a full year dividend of 3.25 pence (FY21: 3.00p per share)

Core revenue* (£m)

£56.4m +8%

Core adjusted EBITDA (£m)**

£18.6m +9%

Dividend (pence per share)

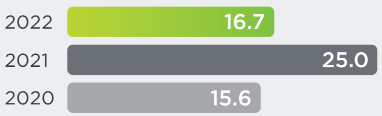
3.25p +8%

Statutory revenue (£m)

£66.5m +4%

Statutory EBITDA* (£m)**

£16.7m -33%



Alternative performance measures

* Core business excludes revenues from panel management, surveying and employee benefits software up to the date of strategic disposal of Zest Technology in 2021.

** Throughout the Annual Report we quote non-GAAP measures to demonstrate underlying business performance. Underlying measures allow management and investors to compare performance without the potentially distorting effects of one-off and/or non-operational items. Further details and reconciliations to non-GAAP measures are provided in note 9, page 83, to the financial statements.

*** Statutory EBITDA in 2021 includes exceptional income of £7.8m. Statutory EBITDA in 2022 includes exceptional costs of £1.4m.

Contents

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 smarter financial decisions

→ Joint Chief Executive Officers' statement on page 7

Enabling services

- Data and insight services
- Distribution as a Service model*
- Automated workflow systems
- Expert regulatory support
- Expert ratings
- Product comparison

→ Our business model on page 12

Key drivers

Increase usage of Distribution as a Service model
Develop data services

Increase usage of fintech
Develop regulatory technology

Expand service and technology platform
Develop digital client portals

→ Our markets on page 11

Underpinned by our ESG pillars

Better business | Better industry | Better future

→ Our approach to ESG on page 22

* Distribution as a Service ("DaaS") is a subscription service, spanning market analysis, product design, compliance consultancy and targeted distribution services, leveraging Fintel's market and product insights, data sets and events programme. From 2022 the proposition has been digitised with the launch of a partner portal, enabling product providers to access tailored data and insights on demand.

At a glance

Connecting and enabling retail financial services

Our leading brands

defaqto

The UK's leading financial information, ratings and fintech business, helping financial institutions, intermediaries and consumers to make smarter financial decisions.

75%
prompted consumer brand awareness

98%
finance professional awareness

>30%
of retail investment advisers and wealth managers use Defaqto's proprietary financial planning software

→ Find out more on www.defaqto.com

SimplyBiz

The UK's largest provider of business and regulatory support, helping financial professionals operate more effectively and deliver better outcomes for consumers.

18 WINNER 19 WINNER 20 WINNER 21 WINNER 22 WINNER

Winner of Professional Adviser "Best Support Services for Advisers" award for five consecutive years (2018–2022)

>£25bn
of mortgage lending was arranged through our intermediary members

19%
of all new IFA, mortgage and consumer credit firm regulatory applications were advised by SimplyBiz experts

→ Find out more on www.simplybiz.co.uk

A unique market position

Operating at the heart of the market, we help it operate more effectively through technology, people and insights.

>£42bn
of investment recommendations were made through Fintel's proprietary advice technology

Connecting the market

Simplifying a fragmented market, we connect product providers and intermediaries, bringing them together on an unparalleled scale to inspire better outcomes for all.

>18,000
attendees at the industry's largest event programme for intermediaries

Enabling the market

Empowering product providers, intermediaries and consumers, we give them the tools, knowledge and insights to make smarter financial decisions.

>10,000
financial intermediaries are supported by Fintel's service and technology platform

At a glance continued

Inspiring better outcomes

Who we serve	**Product providers**	**Intermediaries**	**Consumers**
How we do it	Providing insights, solutions, support and access to intermediaries	Providing regulatory expertise, business support and financial technology	Providing financial product information, ratings and reviews
Outcomes	Enabling product providers to design better financial products and distribute them more effectively	Enabling financial intermediaries to serve more clients more effectively	Enabling consumers to make smarter financial decisions

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

Resilient, high quality revenue streams

Intermediary Services*
£23.5m (35.3%)
- Membership services
- Additional services
- Software licence income

Distribution Channels
£23.1m (34.7%)
- Marketing services revenues
- Distribution as a Service ("DaaS")*
- Commission revenues
- Valuation services**

Fintech and Research
£19.9m (30.0%)
- Fintech software solutions*
- Research – risk mappings, fund* reviews and rating services

See note 2 on pages 71 to 78 for more details on our revenue streams

* Includes SaaS and subscription revenues.
** Non-core revenue stream.

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

>£42bn

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

>10,000

financial intermediaries are supported by Fintel's service and technology platform

Unrivalled market position

75%

prompted consumer awareness of Defaqto brand

>30%

of directly authorised retail investment and mortgage firms are SimplyBiz members

Quality recurring earnings

65%

SaaS and subscription recurring core revenue, which increased by 7.2% in FY22 to £36.8m (FY21: £34.3m)

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 an £80m fully undrawn revolving credit facility

Cash-generative business model

118%

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.

Diversified repeat customer base

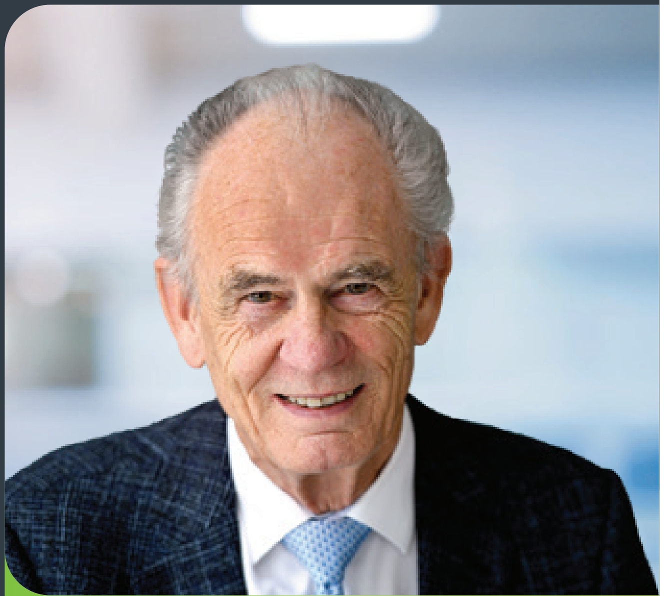
7.7 years

average intermediary member tenure

>70%

product provider revenue converted to long-term subscription agreements through DaaS proposition

Chair's statement



Ken Davy
Non-Executive Chair

I am confident that we will continue to fulfil our purpose and achieve our strategic ambitions, as we deliver long-term value for all of our shareholders."

Inspiring better outcomes across retail financial services

I am delighted to present our annual report and accounts as Chair of Fintel, a leading fintech and support services business. We operate at the very heart of the retail financial services sector to create better outcomes for consumers, our institutional partners and independent financial advisers.

Year in review

2022 was a year in which we transitioned to a post pandemic world whilst retaining more flexible ways of working. At the same time, our customers, their clients and our colleagues faced increasing pressures arising from macroeconomic uncertainty and the rising cost of living.

In a time such as this, our role in helping the UK's retail financial services sector to deliver better outcomes to consumers has never been more crucial or more relevant, and I would like to thank everyone for their commitment to the important work we do. Against a backdrop of market volatility, 2022 has been another strong year for Fintel, both in terms of our financial results and in extending our opportunities for future growth, demonstrating both the underlying strength of our business model and the value of our proposition.

We continue to deliver market-leading regulatory support to financial intermediaries, extending our core compliance offering with the launch of a comprehensive support package in response to the new FCA Consumer Duty regulation, and achieving the Professional Adviser "Best Support Services for Advisers" award for an incredible, fifth consecutive year.

We have significantly enhanced our proprietary adviser technology platform with a new back office integration and the launch of new modules, whilst further expanding our ratings portfolio to help financial intermediaries and product providers meet increasing regulatory requirements and better serve their clients.

SaaS and subscription revenue has grown across all operating divisions as demand for technology and insight services continues across our diverse customer base.

Significant progress has been made in the Distribution Channels division, with over 70% of our partner revenue now converted to recurring income through continued adoption of our Distribution as a Service ("DaaS") proposition, supporting product providers to design and deliver better products, and further enhancing our strategic partnerships.

Our culture

Fostering Fintel's inclusive and supportive culture remains a key priority for the Board, as demonstrated by our outstanding engagement level of 82%. Our robust cultural framework, underpinned by shared values and behaviours, is firmly established throughout the business, ensuring that we can continue to inspire better outcomes for all.

In line with the "thriving workforce" focus area of our ESG strategy we continue to build a culture where everyone can thrive, with our progress in this area evidenced through the Best Companies accolade, which saw us listed as one of the top 20 financial services companies to work for in the UK.

→ Read more at **www.wearefintel.com/who-we-are/our-purpose-and-culture**

Chair's statement continued

Year in review continued

Our business model of strong reoccurring income with most of the remainder being solid repeatable income, gives us tremendous visibility of and confidence in our overall revenues.

Technology and innovation remain central to our growth strategy, and I am delighted to announce the launch of Fintel Labs. This new venture is designed to further strengthen our technology proposition whilst supporting innovation in the sector. We continue to deploy our high touch, high tech approach, and are delivering the expertise, solutions and insights the financial services sector needs to achieve its greatest potential. I believe that our technology platform will play a central role in shaping this new era of financial planning.

There could be no clearer demonstration of the robustness of our strategy, business model and cash conversion strengths, than our acquisition of Defaqto in 2019. Purchased for £74.3m (of which c.50% was borrowings) we have almost doubled its profits since acquisition whilst all borrowings have been repaid and the Group now has £12.8m surplus cash on balance sheet.

As a purpose-led organisation, a continuing focus for the Board is the positive impact we can have through our unique market position, and this year saw us continue to strengthen our environmental, social and governance ("ESG") commitments, aligning to supplementary external reporting standards and defining our Better Outcomes Plan, designed to deliver measurable benefits for our business, the financial sector and broader society.

As we progress at pace, the expertise and dedication of our team remains our driving force, and we were delighted to be awarded the accolade of "Outstanding Company to Work for" as voted for by our people, whilst also being rated as one of the top 20 "Best Companies to Work for" in the financial services sector. This is a testament to our people, our unique culture and our shared success, and I am confident that together we will continue to fulfil our purpose, achieve our strategic ambitions and deliver long-term value for all of our shareholders.

Financial performance and dividend

The underlying resilience of our business has been clearly demonstrated through our strong financial performance for FY22, despite the backdrop of a challenging macroeconomic environment.

Both our revenue and adjusted profit before tax continued to grow in line with the Board's expectations. This, coupled with continued strong cash flow conversion and balance sheet, enabled us to enhance our dividend policy, which resulted in an interim dividend of 1.0 pence per Ordinary Share, paid in November 2022. I am pleased to confirm that the Directors are recommending a final dividend of 2.25 pence per share payable on 19 June 2023, resulting in a full year dividend of 3.25 pence per share.

Progress against our strategy

Our strategic framework reflects our growth ambitions and the market opportunity as we continue to invest in and digitise our model, building secure long-term value creation for our stakeholders.

I am pleased to report that we continue to make significant strategic progress and deliver against our vision.

→ You can read more about our strategic priorities and progress on pages 15 and 16

Environmental, social and governance ("ESG") commitments

Long-term, sustainable value creation is integral to our culture, and embedded in our principles and values. Combining this ethos with our market position at the heart of retail financial services, we are uniquely positioned to inspire better outcomes throughout our sector and wider communities.

→ Full details of Fintel's ESG strategy and progress are set out on pages 22 to 28

Board changes

May 2022 saw Phil Smith join the Board as an Independent Non-Executive Director, following a robust, independently run recruitment process. Phil was selected due to his industry knowledge, leadership qualities and wealth of business transformation experience, along with his deep expertise in digital delivery and alignment to the Company's values and strategic objectives. Phil complements the range of skills we have on the Board. I take this opportunity to thank the Board members for their support, diligence and commitment throughout the past 12 months.

Following Phil's appointment, our succession plans have been updated and, as indicated last year, I am pleased to announce that, with effect from our AGM, it is proposed that Phil becomes Chair of Fintel, whilst I will revert to being a Non-Executive Director. We are already working on this transition, and I am excited by the prospect of Phil taking our already successful Group to greater heights.

Section 172 and stakeholder engagement

We strongly believe that effective stakeholder engagement is one of the keys 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 13 and 14 and our Section 172 statement is set out on page 13

Fintel has due regard to principal risks and accounting judgements which are disclosed in the financial statements on pages 79 and 80.

External factors

Macroeconomic considerations

The Board remains conscious of and continually monitors the external environment such as the inflationary pressures we have witnessed throughout 2022.

We remain confident that the mechanisms we have in place ensure ongoing resilience against this difficult backdrop, with price escalations built into our pricing model to protect the Company from inflationary pressure.

Geopolitical environment

World events, particularly the Russia-Ukraine conflict, create further uncertainty, as the global energy and food supply shocks intensified throughout the year, fuelling the cost of living crisis. We remain alert as the situation evolves.

Annual general meeting

The Company's AGM will be held at Fintel House, St Andrew's Road, Huddersfield, HD1 6NA, on 18 May 2023 at 10:00am (UK time). I look forward again to meeting shareholders in person at Fintel House.

→ Full details can be found in the Notice of AGM on pages 100 to 107

Outlook

As we leave the COVID-19 pandemic behind us, I am confident that our unique technology and service platforms coupled with the valuable expertise and immense knowledge of our people continue to provide a strong foundation for future growth.

I would like to express my deep gratitude to all my Fintel colleagues for their hard work, commitment and dedication to the Company. I am completely confident that the Company will continue to grow and thrive over the years to come.

Ken Davy
Non-Executive Chair
20 March 2023

Joint Chief Executive Officers' statement

Neil Stevens
Joint Chief Executive Officer

We are passionate about leading innovation and delivering high value products and services that make doing business easier and more profitable for our clients."

Positioned for strong, sustainable growth

2022 has been another year of strong performance for Fintel and we have delivered another set of solid financial results, whilst continuing to invest in our unique service and technology platform. We have again expanded our innovation roadmap to ensure we remain the premium partner for financial intermediaries and financial institutions, now and in the future.

Quality financial advice has never been so valuable or more needed by the millions of clients that benefit from working with a professional adviser. Providing our Members with the highest quality service available, helping them to remain compliant with ever-changing regulation and their business to become more profitable, is at the heart of everything we do. With our unrivalled scale, uniquely comprehensive service and technology platform and our extremely cash-generative model we are in a stronger position than ever to deliver sustainable growth and long-term value to all of our stakeholders.

Building on our strong track record of growth, we have increased total revenue by 4.1% to £66.5m (FY21: £63.9m), adjusted EBITDA* by 6.0% to £19.4m (FY21: £18.3m) and adjusted EBITDA margin to 29.1% (FY21: 28.6%), in line with Board expectations.

Strategic delivery

Our strategic plan is underpinned by three medium-term performance objectives as we focus on scaling our core** business and improving the underlying quality of our revenues. Defined in 2020, these objectives balance continued growth with re-investment in our core capabilities as we digitise and enhance our people and software service model. We are making good progress towards achieving our targets and will refresh our strategic plan in 2024.

Alternative performance measures

* Adjusted EBITDA and adjusted EPS are alternative performance measures for which a reconciliation to a GAAP measure is provided in note 9 on page 83 and note 13 on page 85 respectively.

** Core business excludes revenues from panel management, surveying and employee benefits software up to the date of strategic disposal of Zest Technology in 2021.

Matt Timmins
Joint Chief Executive Officer

We exist to simplify and improve the market, helping it operate more effectively, and our role is now more vital than ever."

Joint Chief Executive Officers' statement continued

Strategic delivery continued

Core revenue growth

We set our medium-term objective for core business revenue growth at 5–7% annually. In 2022 we are delighted to have outperformed our target range, delivering 8.0% core revenue growth (FY22: £56.4m; FY21: £52.2m). This was largely driven by significant revenue growth in our Fintech and Research division following accelerated deployment of our proprietary financial planning software and continued expansion of our research and ratings platform.

EBITDA margin

Our core business delivered a solid adjusted EBITDA margin of 32.9% (FY21: 32.7%) during a year of significant expansion of our technology platform and digital capabilities as we progress towards our 35–40% medium-term margin objective.

Earnings quality of the core business

Our medium-term earnings quality focus is on delivering 70–80% SaaS and subscriptions or recurring revenue. The SaaS and subscription revenue has increased by 7.2% to £36.8m (FY21: £34.3m), now representing 65.1% (FY21: 65.7%) of the core revenues. The key driver was continued adoption of our Distribution as a Service ("DaaS") offering, with partner revenue conversion ahead of target, further scaling of DaaS into adjacent markets, and increasing penetration of our financial technology.

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 fragmented and complex, with thousands of products to choose from, delivered by hundreds of providers, through thousands of intermediaries, with increasing levels of regulation. At Fintel, our role is to connect and enable the market, simplifying complexity and delivering better outcomes for all.

Demand for distribution, data and insight services

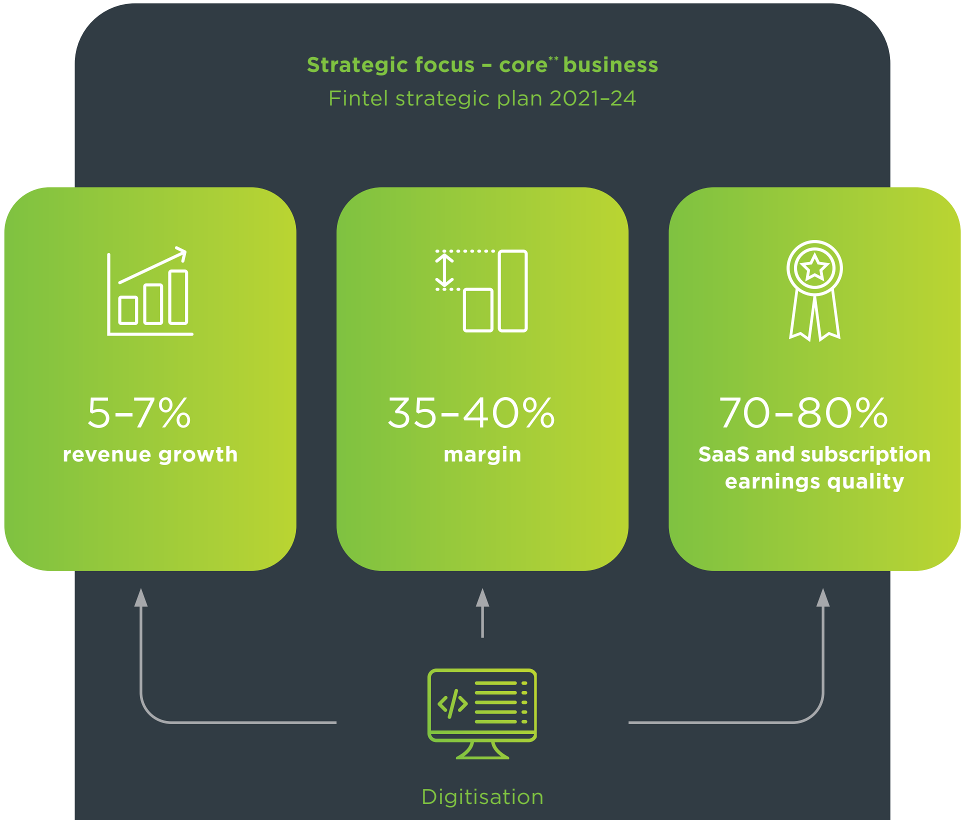
From our position at the heart of the retail financial services market, we provide data and insights throughout the value chain, helping the market to operate more effectively and adapt to shifting dynamics. Continued expansion of our data footprint, including consumer behaviour and preferences, enables us to deliver unique insights, powering product design and consumer choice. Combining this with the unparalleled reach of our distribution network and our trusted brands, we are uniquely positioned to provide the insights and solutions the industry needs to adapt to evolving consumer preferences and increasing regulatory pressures. Building on the success of the DaaS service and the launch of our partner portal, we see substantial opportunity for further organic growth and expansion of our services in this area.

Demand for digital services

In a fragmented ecosystem, our objective is to lead innovation, delivering products and solutions that add value and eliminate effort for our clients. With considerable experience in software development for the retail financial services market, we continue to invest in our end-to-end service and technology platform, designed to shape a new era of financial advice. In 2022 we made significant enhancements to our financial advice technology platform, integrating a new back office system and delivering additional modules including an integrated cashflow modelling tool and improved fund analysis capabilities. We will continue to invest in this area, providing essential support for our members to meet evolving regulatory requirements and continuing to increase average revenue per customer.

Financial strength and agility

Building on the cash-generative nature of our model and the strength of our balance sheet, we agreed a new revolving credit facility on favourable terms, increasing the Group's borrowing capacity to £80m with the option of a further £20m accordion. This strengthened funding capability underpins the Group's ability to make strategic acquisitions of scale in a competitive market, and we continue to actively maintain our selective M&A pipeline. In addition, we have launched a new incubator, Fintel Labs, designed to foster innovation in the sector by supporting emerging financial technology businesses.



** Core business excludes revenues from panel management, surveying and employee benefits software up to the date of strategic disposal of Zest Technology in 2021.

Joint Chief Executive Officers' statement continued

Value generation

The cash-generative nature of our business, combined with recurring revenues from a diverse customer base ensure we create and maintain the financial, technology and skills capacity to deliver our strategic objectives.

Re-investment in our people, data and digital capabilities enables us to focus on developing new areas where we have proven or unique capabilities and established customer relationships.

Adjusted EPS was strong at 12.2 pence per share (FY21: 10.5 pence per share), increasing by 16% compared to the prior year. On a statutory basis EPS was 9.5 pence per share (FY21: 15.7 pence per share).

Strategic priorities

Our strategic priorities involve leveraging our proprietary data and insights across the retail financial services value chain as well as continuing to enhance our end-to-end service and technology platform. These activities will support the delivery of our medium-term objectives, delivering strong growth and improving our margin and underlying quality of earnings. Organic growth is expected to be driven by ongoing software adoption across our membership base, increased financial technology penetration across the market, and continued adoption of our DaaS product. In addition, increasing regulatory pressure continues to drive market demand for our core services across the intermediary market.

As we continue to embed our unique market position and competitive difference, we will also use our enhanced financial agility to actively seek out strategic acquisitions that deliver further value to our shareholders.

Ensuring better outcomes

In 2021 we pioneered the development of a comprehensive environmental, social and governance ("ESG") strategy, following a wide-ranging and all-inclusive materiality assessment with key stakeholder groups. Following the establishment of an ESG and Wellbeing Committee, we have now defined our Better Outcomes Plan, designed to drive measurable change in our business, our industry and wider society in line with our stakeholder priorities and leading reporting standards and frameworks. In addition, we have continued to play a significant role in bringing ESG data and insights to product providers and intermediaries, using our central market position to enable the inclusion of ESG factors within both the product design and financial planning processes. We are delighted to have our progress recognised by the ICA Compliance Awards 2023, seeing us shortlisted as a finalist for "ESG Initiative of the Year" award.

→ You can read more about our ESG strategy on pages 22 to 28

Our people

We continue to invest in our people as we seek to build on an engaging, inclusive workplace where everyone can thrive. In response to employee feedback we built on our wellbeing strategy with the introduction of a Flexible Benefits Platform and hiring a Head of Talent and Development, strengthening our commitment to internal mobility and progression. We have also enjoyed the contribution of our new Board colleague Phil Smith, who has bought valuable new skills and experience to the Board.

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.

Capital allocation policy

1 Quality recurring earnings
- Recurring SaaS and subscription-based core revenues

2 Investing to drive growth
- Shaping financial services through innovation and digitisation

3 Cash-generative business model
- Deleveraged balance sheet
- Strong underlying operating cash flows
- Cost discipline

4 Maximise shareholder value
- Organic development
- Acquisitions and new developments
- Available finance for strategically aligned acquisitions

Joint Chief Executive Officers' statement continued

Our people continued

Our people are the backbone of our Company and the driving force behind everything that we achieve. We were delighted to be recognised as an "Outstanding Company to Work for" and included in the top 20 "Best Companies to Work for" in financial services by Best Companies. We would like to thank each and every one of our colleagues for their continued effort and impact in making us the business we are today.

→ You can read more about our people and culture on pages 20 and 21

Outlook

2023 has started with real momentum. We continue to trade in line with expectations and progress at pace, forging multi-year strategic partnerships and developing our unique technology and service platform.

Our business is strong and resilient through our high customer retention, unrivalled scale, focus in the UK market, and our breadth of coverage across all aspects of the retail financial services market. Over a 20-year trading history, the Company has continued to grow and develop through a range of macroeconomic environments and challenges, including extensive regulatory upheaval and the global financial crisis. Our deep sector knowledge and strength of our relationships give us confidence in a bright future.

In times of market volatility, the need for sound financial planning is greater than ever, reinforcing the importance of the retail financial services sector and the outstanding role that professional advisers play in helping people to save for the future and protect the things that matter most. We exist to simplify and improve the market, helping it operate more effectively, and our role is now more vital than ever.

As we look to the future, we are confident in our financial agility and growth strategy that is underpinned by positive market dynamics. We are well positioned for strong and sustainable growth, inspiring better outcomes for all.

Matt Timmins and Neil Stevens
Joint Chief Executive Officers
20 March 2023

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.

>£25bn
of mortgage lending was arranged through our intermediary members

>£42bn
of investment recommendations were made through Fintel's proprietary advice technology

>10,000
financial intermediaries are supported by Fintel's service and technology platform

>43,000
products and funds researched

>2,600
on-site and remote engagements for compliance and business services

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

Markets

A high quality business in a high quality market

Product providers

Regulatory and margin pressures

- Increasing regulatory requirements as a result of the new FCA Consumer Duty regulation, including the need to evidence suitability and fair value at point of product design
- Ongoing profitability pressures caused by macroeconomic climate, difficult investment landscape, increasing risk-free rate and fall in “real” disposable income
- Lower margin caused by increased competition amongst product providers

Our response

- Continued provision of market and competitor intelligence software to support Consumer Duty requirements via whole of market proposition benchmarking
- Expansion of product ratings and investment reviews portfolio coverage, enabling product providers to demonstrate suitability
- Expansion of Distribution as a Service (“DaaS”) into adjacent markets helping product providers to design and distribute products more effectively
- Continued provision of strategic asset allocation (“SAA”) solution enabling product providers to align outcomes to consumer risk appetite

Future opportunities

- Further expansion of market and competitor intelligence software
- Enhancement of the ratings portfolio criteria
- Deepening and expansion of strategic partnerships through proposition enhancements and scaling into adjacent markets
- Expansion of fintech and research services into single strategy funds and investment trusts

Intermediaries

Changes in the intermediary market

- Increasing regulatory requirements as a result of the Consumer Duty regulation, including the need to evidence suitability at point of sale
- Ongoing profitability pressures caused by macroeconomic climate including fall in “real” disposable income and shifting market dynamics
- Increased market consolidation and growth in private equity backed, vertically integrated firms
- Increasing barriers to entry for directly authorised firms, including extended authorisation process

Our response

- Launch of Consumer Duty education hub, event series and specialist services
- Major upgrade of proprietary financial planning software, broadening functionality and user base
- Provision of enterprise service and technology proposition for consolidators
- Provision of market-leading business and regulatory support for directly authorised IFAs
- Launch of Mortgage Climate Action Group helping advisers understand green issues when dealing with mortgage applications

Future opportunities

- Further development of the proprietary financial planning software to deliver a comprehensive, seamless financial planning interface
- Development of a member portal, streamlining access to our comprehensive service and technology platform
- Introduction of a cash management solution to support advisers to help maximise client returns from the increasing risk-free rate

Consumers

Changing macroeconomic climate

- Fall in “real” disposable income and a difficult investment landscape
- Increasing risk-free rate, resulting in shift towards cash holdings
- Mortgage market pressures, including increasing interest rates and shift in affordability calculations

Our response

- Defaqto Star Ratings helping consumers to make smarter financial decisions
- Launch of a comprehensive buy to let solution to enable advisers to provide a full service solution for landlords and their tenants
- Expansion of the specialist property finance club, increasing product choice, including access to bridging finance
- Refresh of the Defaqto brand, strengthening our market position

Future opportunities

- Development of a direct to consumer ratings proposition, using our expertise and insights to improve financial wellbeing, extend our data footprint and deepen our brand equity
- Enhancement of consumer Star Ratings functionality to support consumers in making smarter financial decisions

Business model

A unique service platform, connecting and enabling UK retail financial services

→ Read more about our strategy on pages 15 and 16
→ Read more about our stakeholder engagement on pages 13 and 14

Resources and relationships

Proprietary data, insights and analysis
- Supporting over £42bn of investment recommendations through Fintel's proprietary advice technology
- Largest database of financial products in the UK including research and analysis of more than 4m 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 150 in-house product and regulatory experts

Partnerships and relationships
- Partnering with more than 400 industry-leading brands
- Supporting over 10,000 financial intermediaries

How we do business

What we do

Fintech and research | Support services

Who we serve

Product providers | Intermediaries | Consumers

How we do it

Market insight and analysis	Product research and comparison	Product education
Product design and compliance	Financial planning and advice technology	Product comparison
Targeted distribution	Centralised data and workflow	Product ratings

What sets us apart

Unrivalled market penetration | Proprietary financial planning technology | Largest UK financial product database | Leading regulatory and business support | Trusted brand, expert analysis

The value we create

Employees
- A collaborative working environment with 82% 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 smarter financial decisions

Shareholders
- 3.25 pence per share FY22 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 aspirations. 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

Strengthening our data and insights proposition

We frequently engage with our customers to ensure the solutions we offer meet their needs. Therefore, when scoping phase 2 of our partner portal, we regularly consulted our key partners to ensure the functionality we develop enhances their user experience and delivers better outcomes.

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' operational and strategic goals. We therefore maintain open and transparent dialogue to ensure the business' 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

- Planned refinancing of Fintel's £45m revolving credit facility ("RCF") with a new four-year RCF increasing our borrowing capacity to £80m
  - More favourable RCF terms achieved including a reduction in overall margin and the option of a £20m accordion, whilst existing leverage covenants remain in place
  - An additional bank, Santander, joined NatWest and Virgin Money in the banking syndicate

Regulatory bodies

Why engagement is important

As a market connector within the 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 our clients, we provide insight and thought leadership that help shape the regulatory environment.

Forms of engagement

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

Outcomes

- Helping to shape UK regulation to drive better outcomes
- Regular briefing papers and support provided to our client base on changing regulation

Stakeholder engagement continued

Clients

Why engagement is important

Maintaining an open and collaborative relationship with our clients is crucial in enabling us to help the market operate more effectively. This allows 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, focus groups and outbound calls seeking feedback on 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

- Development of new financial planning software modules and functionality
- Enhancements to support offered as part of the member onboarding process
- Enhancement of our 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

- “Outstanding Company to Work for” accreditation from Best Companies, voted for by our people
- Launch of flexible benefits programme and platform
- Enhanced visibility of Company-wide opportunities to support internal progression resulting in 23% of all roles and 50% of management roles being filled internally
- Recruitment of Head of Talent and Development to formalise development programme, and introduction of new development initiatives and resources

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 Chief Executive Officers and Chief Financial Officer

Outcomes

- Increased strategic focus on core business assets and disposal of non-core Zest Technology

Our strategy

Positioned for growth

Key

1. Reputational risk
2. Evolution of the regulatory environment
3. Financial shock outside the Company's control
4. Data integrity and cyber security
5. Loss of key partners
6. Competition
7. Loss of key personnel
8. Climate change

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 and 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.

Customers and markets

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

Key activities in FY22

- Launch of a comprehensive suite of solutions in response to the new FCA Consumer Duty regulation, providing essential support for our members to meet the evolving regulatory requirements
- Scaling of DaaS, supporting product providers to design better products and distribute them more effectively in an increasingly competitive and fragmented market

Our priorities for FY23

- Further expansion of market and competitor intelligence software to provide a holistic market view, supporting all aspects of proposition design, delivery and compliance

Risk 2 3 6

Product platform

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

Key activities in FY22

- Continued investment into our advice technology platform with:
  - Launch of a cashflow modelling solution embedded within an end-to-end financial planning tool
  - Enhancement of fund analysis data providing further insight into a portfolio's composition and performance at a glance

Our priorities for FY23

- Enhancement of strategic asset allocation solution, enabling product providers to align to consumer risk profiles, improving adviser efficiency and consumer outcomes

Risk 4 5 6 7

Digitisation

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

Key activities in FY22

- Further development of integrated partner portal architecture, combining Defaqto market insights and SimplyBiz distribution data to provide deeper market and campaign insights

Our priorities for FY23

- Launch of Partner Portal phase two, creating a powerful interface and central hub for our Distribution as a Service solution
- Development of an intermediary member portal, based on partner portal architecture, to enhance member experience and streamline access to our service and technology platform

Risk 2 4 6 8

Our strategy continued

Key

1. Reputational risk
2. Evolution of the regulatory environment
3. Financial shock outside the Company's control
4. Data integrity and cyber security
5. Loss of key partners
6. Competition
7. Loss of key personnel
8. Climate change

Brand

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

Key activities in FY22

- Strengthening and refreshing the industry-leading Defaqto and SimplyBiz brands
- Continued provision of award-winning services to directly authorised IFAs
- Embedding our purpose and strengthening our market position through launch of a comprehensive ESG strategy

Our priorities for FY23

- Roll out of the refreshed Defaqto and SimplyBiz brand identities
- Strengthening our purpose and ESG commitment through launch and delivery of our 2023 ESG action plan
- Positioning Fintel and its subsidiary brands as a key voice within retail financial services

Risk 1 6 8

Organic growth

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

Key activities in FY22

- Integration of our financial planning software with an additional back office system, providing an end-to-end financial planning journey and broadening our potential user base
- Expansion of the coverage of our ratings portfolio into adjacent product areas with the launch of Diamond Ratings for Investment Trusts, which provide unbiased assessment of trust's quality and performance

Our priorities for FY23

- Further development of proprietary financial advice planning software to broaden user base and increase ARPC
- Expansion of ratings criteria to support and promote fair value and suitability

Risk 3 4 6 7

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 FY22

- Planned refinancing of Fintel's revolving credit facility, increasing our borrowing capacity to £80m with the option of an additional £20m which underpins our ability to make strategic acquisitions of scale, whilst still maintaining a track record of prudent leverage
- Building a selective M&A pipeline expected to enhance earnings and growth opportunities in the medium term
- Accelerated roll out of Enterprise version of our financial planning software to Tatton Asset Management plc's adviser firms, following strategic agreement and sale of Verbatim funds to Tatton in 2021

Our priorities for FY23

- Maintenance of prudent leverage and funding flexibility, ensuring sufficient operational capacity to maximise strategic growth opportunities

Risk 1 3 6

KPIs

Measuring our performance

Core revenue (£m)

£56.4m +8%

2022	56.4
2021	52.2
2020	49.9

Why we measure it

Core revenue is a key measure in understanding top line financial performance in our strategically aligned business units which are fundamental in delivering our business goal of inspiring better outcomes in the financial services industry.

How we measure it

Core revenue is measured over time in a manner that depicts the performance obligation of the subscription or customer contract. Our core business excludes our non core property surveying business.

Performance

Core revenue has grown 8% to £56.4m (FY21: £52.2m) and reflects our continued growth strategy within our core products and services.

Core adjusted EBITDA (£m)

£18.6m +9%

2022	18.6
2021	17.1
2020	15.6

Why we measure it

Core adjusted EBITDA is a useful measure of underlying operational profitability of the core business, excluding non-recurring and non-cash items.

How we measure it

This metric measures earnings of our core business operations before interest, tax, depreciation, amortisation, share option charges and operating exceptional costs. Non-GAAP measures allow management and investors to compare performance without effects of one-off and or non-operational items.

Performance

Core adjusted EBITDA continues to grow year on year, achieving £18.6m (FY21: £17.1m), an increase of 9%, demonstrating the strong growth and quality earnings across our core products and services.

Statutory revenue (£m)

£66.5m +4%

2022	66.5
2021	63.9
2020	61.0

Why we measure it

Statutory revenue is a key measure in understanding top line financial performance.

How we measure it

Revenue is measured over time in a manner that depicts the performance obligation of the subscription or customer contract. Statutory revenue includes revenue from our core and non-core operations.

Performance

Statutory revenue has grown in line with Board expectations, achieving a 4% uplift to £66.5m (FY21: £63.9m), largely driven by significant revenue growth in our Fintech and Research division following accelerated deployment of our proprietary financial planning software and continued expansion of our research and ratings platform.

Statutory EBITDA (£m)

£16.7m -33%

2022	16.7
2021	25.0
2020	15.6

Why we measure it

Statutory EBITDA is a useful measure in understanding operational profitability on a total level, excluding the effects of financing and accounting adjustments.

How we measure it

Statutory EBITDA indicates total earnings before interest, tax, depreciation and amortisation.

Performance

Statutory EBITDA was £16.7m (FY21: £25.0m), a reduction of 33%. Statutory EBITDA in 2021 includes exceptional income of £7.8m. Statutory EBITDA in 2022 includes exceptional costs of £1.4m. Excluding the impact of one-off exceptional items in both 2022 and 2021 statutory EBITDA grew by 5% across 2022.

Dividend (pence per share)

3.25p +8%

2022	3.25
2021	3.00
2020	2.85

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 investment with returns to shareholders.

Performance

The Board is proposing a full year dividend in respect of FY22 of 3.25 pence, an increase of 8% on the FY21 dividend of 3.0 pence. The proposed final dividend of 2.25 pence (FY21: 2.00 pence) reflects the Group's strong business performance and cash generation during the year, as the business balances distribution of profits with strategic growth objectives.

Innovation and digitisation

Shaping a new era of financial services through innovation and digitisation

Kyle Augustin
Chief Operating Officer

As a technology and service business, we continually invest in our digital capabilities, improving efficiencies and outcomes for financial professionals and their clients.”

Technology and service platform

- Enhancements to advice technology platform including new back office integration and launch of new cashflow modelling and fund analysis modules
- Expansion of ratings portfolio coverage, including launch of new Diamond Ratings for Investment Trusts
- Launch of a comprehensive support package in response to the new Consumer Duty, spanning thought leadership, education, strategic consultancy and implementation support

Focus for 2023

- Continued investment in advice technology platform, to enable seamless integration and consistent methodology between different stages of the advice journey, aligned with regulatory requirements
- Further expansion of our unique market and competitor intelligence software to provide a holistic market view
- Expansion of ratings portfolio criteria to support and promote fair value and suitability at point of sale
- Upgrade of the virtual events platform to further enhance member experience

Distribution, data and insight services

- >70% of distribution partner revenue converted to Distribution as a Service model, ahead of the 2022 target of 60%
- Further expansion of offering into protection and mortgage partners
- Continued scaling of strategic asset allocation service, enabling our partners to align to consumer risk profiles and streamlining the advice process

Focus for 2023

- Launch of Partner Portal phase two, delivering dynamic insights and campaign functionality to create a powerful interface and central hub for our Distribution as a Service partners
- Development of an intermediary member portal to enhance member experience and streamline access to our service and technology platform
- Enhancement of strategic asset allocation solution across our partners, expanding our strategic relationships

Investing for the future

- Further investments in our CRM systems enabling us to take advantage of synergies and penetration of products across our brands
- Development of a new enterprise resource planning (“ERP”) system to drive optimal performance and operational impact
- Expansion of in-house software development capabilities to deliver ambitious innovation roadmap
- Continued migration to cloud-based architecture to support Company-wide agile product and service development

Focus for 2023

- Completion of a major business transformation programme, including launch of the new ERP system and further enhancements to the CRM systems, to improve efficiency and business performance
- Further investments into centralised digital architecture, to power future digital services and enable agile decision making
- Expansion of our research capacity through data automation

Innovation and digitisation continued

Metrics

>£42bn
of investment recommendations made through our financial planning software Engage

>8,000
financial professionals use Engage

13
new features added to partner portal in phase two release

>4m
of product features mapped within our product and competitor intelligence software Matrix

Innovation roadmap

Fintel Labs

A new venture, designed to strengthen our technology proposition and foster innovation in the sector, through investing in and supporting emerging financial technology.

2023 focus

- Meet with innovative entrepreneurs to discuss ways in which we can invest in and support early stage businesses, putting us at the forefront of financial technology development

Client portals

Digital hubs for our clients, providing a single point of access to our technology and service platform.

2023 focus

- Upgrades to partner portal, including additional analytics and campaign planning functionality
- Scoping and development of an intermediary member portal to enhance member experience and streamline access to our service and technology platform

Engage

Expert financial planning software with integrated end-to-end financial planning and advice processes.

2023 focus

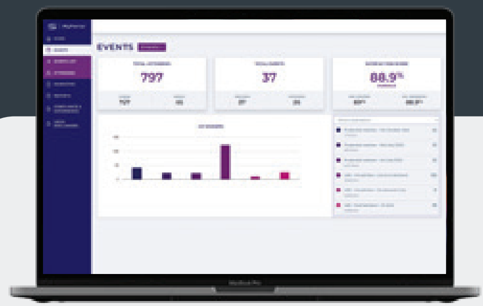
- Further investment into Engage interface and functionality to provide a more intuitive user experience to drive Engage usage, reduce support costs and support digital onboarding

Matrix

Dynamic, whole of market product and competitor intelligence software for financial institutions, leveraging Defaqto's deep market insights and product expertise.

2023 focus

- Expansion of benchmarking criteria to support all aspects of proposition design, delivery and compliance



Partner portal

Launched in 2022, the partner portal enabled us to digitise how we interact with our key partners. It forms a backbone of our DaaS offering, and will serve as a blueprint for how we engage with other customer groups.

Expansion of portal capabilities planned for early 2023 will further enhance the partner experience. Developed in line with key partner feedback, the portal's phase two release will add interactive, live insights and granular campaign data, becoming a central hub for our partners' distribution programmes and our strategic relationships.

> **Fintel's partner portal gives us unique insights into market cohorts, dynamics and also the preferences of advisers and consumers.**
>
> **Through the depth of their data and their unrivalled ability to harness it, they are improving efficiency throughout the retail financial services market.**
>
> **I am looking forward to the launch of phase two enabling us to make commercial decisions based on live data."**

James Tothill
Head of Strategic Alliances, Aviva Investors UK Wholesale

People and culture

Building a strong, ethical and values-driven culture

Emily Blain
People and Operations Director

Our people are the key to our prosperity and we believe we succeed when they do. To enable us to achieve our long-term goals as a business we are passionate about listening to the views of our people and taking action to create a supportive and inclusive working environment where everyone can thrive.

Embracing employee feedback is a fundamental part of our culture and we're very proud to have this recognised via our Best Companies achievement."

→ Find out more on: **www.b.co.uk/companies/fintel-plc**

Engagement and reward

Our people are our key asset, and we strive to create a collaborative and engaging environment, offering fair reward and recognition for the hard work they contribute to our shared success.

Our progress

- Monthly "pulse" surveys to monitor employee satisfaction across key criteria
- Regular Company updates run by senior management
- Regular formal and informal staff recognition
- A Flexible Benefits Platform, providing staff with access to flex their Company benefits package
- Ensuring we pay all our employees a real living wage as a minimum, evidenced through our real living wage employer certification

Staff engagement score	82%
Best Companies "Outstanding to Work for"	✓
Accredited real living wage employer	✓

Ethics and fairness

We believe in a strong ethical and values-driven culture, defined by our cultural framework which outlines our purpose, approach, values and shared traits.

Our progress

- Launch of a new Code of Ethics
- Comprehensive suite of policies in place, aligned to applicable laws, regulations and best practice
- Mandatory training, ensuring our people have a strong understanding of key governance and ethics topics

Equal pay claims	0
Gifts and Hospitality Register in place	✓
Code of Ethics in place	✓

People and culture continued

Growth and development

We have robust support structures and development initiatives in place to ensure that our people have access to resources, support and opportunities at all levels.

Our progress

- Appointment of a Head of Talent and Development
- Funding of professional qualifications
- Promotion of apprenticeships and external manager development programmes
- Online learning platform available to all staff, with access to support materials and e-learning
- Operation of an HR business partner model to ensure that all managers have dedicated development support

% of all vacancies filled internally	23%
% of managerial vacancies filled internally	50%
% of senior leadership roles with succession plans in place	100%

Building an inclusive culture

We believe that a supportive and inclusive culture is key to our success as individuals and an organisation, and we recognise that people from diverse backgrounds and experiences bring valuable contributions and perspectives.

Our progress

- Mandatory annual diversity, equity, and unconscious bias training for all our colleagues
- "Inclusive" behaviour built into the performance review and reward process
- Perceived inclusivity monitored across the business
- A flexible working promise and dress for the right mindset approach
- Enhanced family policy entitlements, as well as new modern paid policies

Diversity data disclosure rate	15%
% of managerial roles filled internally by women	70%
Employee voted equality perception score	9.2/10
Mandatory equity, diversity and inclusion training	✓
Voluntary Fintel gender pay gap reporting	✓

Supporting our people to grow and develop

Jennifer Peaty
Head of Regulatory Consultancy

"I joined the business in 2016 as a compliance consultant and have progressed to now run the development and implementation of our UK-wide regulatory consultancy and advice quality teams.

I have never worked anywhere with such a strong people culture and with so many opportunities for career development. The people who work at SimplyBiz make our business what it is, and we absolutely live up to our core values."

Stuart Douglas
Senior Regional Recruitment Manager

"I joined the business in 2019, as a Business Development Manager, and have since completed a Management Apprenticeship and been promoted to a Senior Regional Recruitment Manager, leading to me managing the Compliance First Recruitment Sales Adviser team.

The opportunities that I have been presented with to further my career and goals in the last three and half years, the working environment, and the unique culture of support and collaboration are what makes this business really special."

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 this purpose, and considering our impacts, market trends and growth ambitions, as they align to our broader strategy, in 2022 we launched a comprehensive environmental, social and governance ("ESG") strategy. The strategy was built on three core pillars: better future, better industry and better business, which underpin our ESG ambitions.

Engaging our stakeholders in a comprehensive materiality assessment was a fundamental step to defining our priorities, and our progress to date has been and will continue to be driven by the outcomes of that assessment.

To ensure we continue to reflect the evolving priorities of our stakeholders, the assessment will be refreshed regularly, with the next review scheduled for 2025.

→ Read more about the outcomes of our materiality assessment on: www.wearefintel.com/our-impact

To 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, in January 2022 the Board ratified a new ESG and Wellbeing Committee, chaired by Senior Independent Non-Executive Director Imogen Joss.

→ Full details of the Committee's remit and activities undertaken in 2022 are set out on pages 49 and 50

Inputs

- Stakeholder priorities
- Our impacts
- Market trends
- Growth ambitions
- Strategic direction

Our ESG strategy

DRIVEN BY OUR PURPOSE

To inspire better outcomes within retail financial services

UNDERPINNED BY OUR VALUES

Knowledge	Influence	Excellence
Simplify complexity	Think bigger	Future focused

> **Our holistic ESG strategy demonstrates the positive impact we can have using our reach, capabilities and unique market position whilst reflecting the views of our stakeholders. We have made significant progress in laying the foundations and defining an ESG action plan, helping us to further strengthen our market position and purpose."**

Matt Timmins
Joint Chief Executive Officer

ESG continued

ESG roadmap

Long-term commitment

Driven by our purpose of inspiring better outcomes we are committed to long-term sustainable value creation for all of our stakeholders.

To ensure we continue to reflect the evolving needs of our stakeholders whilst making meaningful progress, we established a three-year cycle. At the end of each phase we will re-evaluate our priorities, with the next materiality assessment scheduled for 2025.

January 2022
ESG and Wellbeing Committee formed

February 2022
Accredited real living wage employer

April 2022
Launch of Mortgage Climate Action Group co-funded by SimplyBiz Mortgages

Publication of the inaugural ESG report

May 2022
Membership of Progress Together, focusing on socioeconomic diversity in financial services

June 2022
Best Companies accreditation

Partnership with We Are Change to attract new talent into the financial services industry

April 2023
Inaugural TCFD report

Publication of 2023 ESG report

Launch of the 2023 Better Outcomes Plan

2024
Definition of key goals and improvement programme with launch of the 2024 Better Outcomes Plan

2025
Refresh our ESG materiality assessment and strategy based on alignment to Fintel's overall strategy, market trends and stakeholder priorities

ESG continued

Advancing our ESG strategy

Throughout 2022 we made significant progress to embed and advance all three pillars of our newly launched ESG strategy across the business, recognised through our strategy being shortlisted as an "ESG Initiative of the Year" at ICA Compliance Awards in 2023.

Better future

Our "better future" pillar reflects our commitment to fostering inclusive growth. We seek to empower and support our people and wider communities, promoting diversity, learning and financial confidence to create opportunities for all.

Financial confidence

Financial confidence is one of our high priority areas and we strive to use our expertise and influence to increase financial wellbeing and inclusion. 2022 saw us expand our ratings portfolio coverage, helping individuals make smarter financial decisions; launch a cognitive assessment tool to help advisers identify, assess and better support vulnerable clients; and develop a later life qualification, training programme and compliance proposition to help financial intermediaries support consumers in this increasingly important area.

Thriving workforce

We made significant progress in our "thriving workforce" focus area with the launch of our flexible staff benefits platform and enhanced policies including new family focused policies to promote wellbeing and engagement, and attract a broader range of talent. In May, we became inaugural members of Progress Together, a membership body focused on levelling up opportunities across the UK financial services industry through sharing best practice with industry peers.

We also appointed a Head of Talent and Development to further enhance internal succession plans, mobility and progression and expanded our gender pay gap reporting to include voluntary Fintel-wide reporting, providing a benchmark against which we will measure our progress.

As a testament to our progress, in 2022 we were accredited by Best Companies as an "Outstanding Company to Work for" and one of the 20 "Best Companies to Work for" in the UK financial services sector, outperforming the index based on our employee longevity, investment in staff, professional development opportunities and "thriving" work culture. You can read more about our people and culture on pages 20 and 21.

Community engagement

We are passionate about supporting the growth of the financial services sector, which is why in 2022 we partnered with the Verve Foundation to support its We Are Change initiative designed to attract new talent into the financial services industry. The programme supports individuals through their Level 4 Diploma in Regulated Financial Planning with the CII, preparing them to succeed in a range of entry-level roles within financial services.

Better industry

Our "better industry" pillar reflects our commitment to improving the retail financial services sector. Working at the heart of the market, we use our knowledge, insights and technology to inspire better outcomes for all.

Innovation and digitisation

Throughout 2022 we continued to foster innovation and digitisation in the financial services sector, building a strong multi-year innovation pipeline. We enhanced our proprietary advice technology with the launch of new modules and expanded and deepened our DaaS proposition, with the development of additional portal features giving product providers access to live product and campaign data, due to launch in 2023. You can read more about innovation and digitisation on pages 18 and 19.

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

2022 outcomes

110
retail investment funds now covered by our ESG research platform

>4m
of financial product features mapped by Defaqto experts

>30%
of retail investment advisers and wealth managers have access to our ESG fund filters

>8,000
wealth managers and financial advisers have access to our digital ESG client profiler

82%
employee engagement score

50%
of management roles filled internally (70% of which were filled by women)

>11,000
visits to our vulnerable client hub

ESG continued

Better industry continued

ESG enablement

Throughout 2022, we expanded our ESG research platform with over 100 retail investment funds now covered, enabling advisers to assess funds from an ESG point of view on a transparent and consistent basis, helping them identify suitable investments that reflect their clients' personal principles and preferences.

Our mortgage division, SimplyBiz Mortgages, collaborated with industry partners to form a new Mortgage Climate Action Group. Aiming to interpret new climate change legislation and engage with industry stakeholders, the Group will act as a source of support for intermediaries, helping them to understand and address green issues when dealing with mortgage applications.

Better business

Our "better business" pillar reflects our commitment to managing our business responsibly and continually improving our operations.

Corporate governance

Corporate governance is our highest priority, based on our materiality assessment conducted in late 2021. This is why we focused on strengthening this area significantly throughout 2022.

We strengthened our risk management framework through formation of a new Enterprise Risk and Business Performance steering group, responsible for development of enterprise risk management processes and oversight of implementation of unit-specific risk response plans.

Our robust data security and cyber risk monitoring processes were further bolstered through formation of a technology governance team, which conducts Company-wide risk evaluation and continuity planning to identify, manage and respond to our cyber risks efficiently, further strengthening our overarching risk management framework. Throughout the year we developed a robust roadmap to enable us to continually improve our data and cyber security processes and infrastructure. We also conducted an external verification process to attest compliance with Cyber Essentials Plus standard, which was attained across key brands.

To further strengthen our ethical and values-driven culture, we conducted a comprehensive review of our suite of ESG-related policies, which led to the development and launch of a new staff Code of Ethics.

Environmental footprint

Due to the nature of our business, our impact on the environment is relatively low, which was also recognised by our key stakeholders who, as part of our ESG materiality assessment have scored our environmental footprint as a low priority area for us to address. We do recognise, however, that to build a more sustainable future, we all have a role to play and we are committed to reducing the environmental impact of our operations.

Throughout 2022 we sought suppliers that would enable us to reduce our impact in a number of areas, which resulted in move of our adviser magazine printing contract to an ISO 14001 accredited and Forest Stewardship Council ("FSC") certified supplier and appointment of a new electronic waste disposal partner, helping us to redirect 100% of our e-waste from landfill from 2023.

We also support our people to reduce their footprint through a hybrid working policy, which is now available across all Fintel roles reducing the emissions caused by the daily commute. Building on this, within the Flexible Benefits Platform launched in 2022 we offer: a cycle to work scheme, an electric vehicle scheme (available to our Defaqto colleagues), a carbon offsetting scheme, access to "modern milkman" services reducing plastic waste and a "too good to go" scheme reducing food waste.

Our ESG reporting frameworks

We continue to monitor the evolving ESG reporting landscape, ensuring that we expand our disclosures where relevant, and identify any supplementary reporting frameworks, taking into account the evolving reporting landscape and common practice.

For FY22, we continue to report 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, supplemented by our inaugural report in accordance with the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations, which can be found on pages 29 to 31.

We also position our ESG strategy in a global context, explaining how we contribute to reaching the United Nations Sustainable Development Goals ("UN SDGs"). For details, please visit: www.wearefintel.com/our-impact/resource-hub.

Focus for 2023

In 2023 we will accelerate our progress with the launch of the Better Outcomes Plan – our flagship ESG programme led by the views of our stakeholders and designed to drive positive, measurable change in our business, our industry and broader communities, inspiring better outcomes for all. A summary of key priorities across all three of our pillars can be found on pages 26 to 28.

→ You can find our Better Outcomes Plan and SASB report on: www.wearefintel.com/our-impact/resource-hub

ESG continued

BETTER FUTURE

Our “better future” pillar reflects our commitment to fostering inclusive growth. We seek to empower and support our people and wider communities, promoting diversity, learning and financial confidence to create opportunities for all.

→ Read more at www.wearefintel.com/our-impact/better-future/

Our aspiration	Our progress	2023 goals	Outcomes	Reporting framework
Financial confidence To improve individuals’ ability to make smarter financial decisions and access products and services that meet their evolving needs.	✓ Expansion of our risk ratings and investment reviews services ✓ Launch of a cognitive assessment tool to help advisers identify and support vulnerable clients ✓ Later life qualification development, training programme and compliance proposition	Review of the coverage and criteria of the financial products ratings portfolio	Increase in number of individuals using our expert ratings	**Aligned to SDG 4.4** 4 QUALITY EDUCATION INCREASE THE NUMBER OF PEOPLE WITH RELEVANT SKILLS FOR FINANCIAL SUCCESS
		Development of consumer financial education content	Increase in number of individuals accessing our educational content	
Thriving workforce To build a safe and engaging environment for everyone to thrive by promoting diversity, individuality, learning and development.	✓ Enhanced visibility of Company-wide opportunities to support internal mobility and progression ✓ Published inaugural voluntary Fintel-wide gender pay gap report ✓ Accredited by Best Companies as an “Outstanding Company to Work for” and one of the 20 “Best Companies to Work for” in the UK financial services sector	Review and formalise our approach to diversity and inclusion	Increase in diversity metrics disclosure rate	**SASB** **Aligned to SDG 10.2** 10 REDUCED INEQUALITIES PROMOTE UNIVERSAL SOCIAL, ECONOMIC AND POLITICAL INCLUSION
		Launch a formal development and mentoring programme	High % of managerial vacancies filled internally	
		Deliver our wellbeing programme, aligned to employee feedback	High Peakon wellbeing score maintained	
		Improve our national Best Companies ranking	Best Companies ranking improved	
Community engagement To give back to communities through charity support, sponsorship and volunteering.	✓ Supporting the growth of financial services sector	Continue to support the We Are Change initiative designed to attract new talent into the financial services industry → Find out more on www.wearefintel.com/our-impact/better-future	Increase in number of newly qualified financial professionals	

ESG continued

BETTER INDUSTRY

Our "better industry" pillar reflects our commitment to improving the retail financial services sector. Working at the heart of the market, we use our knowledge, insights and technology to inspire better outcomes for all.

→ Read more at www.wearefintel.com/our-impact/better-industry/

Our aspiration	Our progress	2023 goals	Outcomes	Reporting framework
Innovation and digitisation To improve the effectiveness of UK retail financial services by continuously improving, innovating and digitising products, processes and solutions to inspire better consumer outcomes.	✓ Further development of the provider portal ✓ Expansion of Distribution as a Service into adjacent protection and mortgage markets ✓ Scaling of our hybrid events programme	Further expansion of Distribution as a Service to improve financial product design and distribution	Increase in % of partner revenue converted	**Aligned to SDG 8.2** 
		Design of an analytics service to proactively assess and benchmark advice compliance risk	Service scoping and design complete	
		Introduction of new proprietary advice technology workflows, aligned to Consumer Duty regulation	Increase in number of workflows available	
ESG enablement To inform the market on the emerging ESG landscape, and enable the inclusion of ESG criteria within the financial planning and product development processes.	✓ Expansion of ESG research platform to cover a wider range of retail investment funds ✓ Co-founding of the Mortgage Action Climate Group designed to support intermediaries to address green issues during the mortgage advice process	Support development of a net zero emissions protocol for financial intermediaries	Increase in number of firms using the protocol	
		Expansion of ESG research platform	Increase in number of ESG funds reviewed	
		Assessment of thematic impact solutions for intermediaries to enable them to more closely align with client needs	Suite of ESG solutions for intermediaries expanded	
		Lead the Mortgage Climate Action group to support intermediaries in helping homeowners make UK housing stock more energy efficient	Increase in number of intermediaries engaged	

ESG continued

BETTER BUSINESS

Our "better business" pillar reflects our commitment to managing our business responsibly and continually improving our operations.

→ Read more at www.wearefintel.com/our-impact/better-business/

Our aspiration	Our progress	2023 goals	Outcomes	Reporting framework
Corporate governance To maintain strong ethical and corporate governance standards across our organisation, enabling us to continuously deliver better outcomes for our stakeholders.	✓ Enhancement of data security and cyber risk monitoring processes through formation of a technology governance team ✓ External verification of compliance with Cyber Essentials Plus standard attained across key brands ✓ Review and enhancement of ESG-related policies including development of a new staff Code of Ethics ✓ Strengthening of the Risk Management Framework through formation of a new Enterprise Risk and Business Performance steering group	Conduct a Fintel-wide GDPR audit and review of external cyber security certifications	Suitable certifications identified	SASB
		Increase cyber security resources and training	Enhanced internal capabilities	
		Strengthen the risk management processes with implementation of a central risk management software	Increased visibility, streamlined risk data collection and improved oversight	
		Roll out our new Supplier Code of Conduct to existing suppliers	Strengthened supplier due diligence process	
Environmental footprint To proactively manage and reduce the environmental footprint of our operations.	✓ Expansion of scope 3 emissions data ✓ Preparation for reporting against the TCFD framework ✓ Launch of initiatives available through the Flexible Benefits Platform, enabling staff to reduce their footprint, including: – a cycle to work scheme – an electric vehicle scheme (available to our Defaqto colleagues) – a carbon offsetting scheme – access to 'modern milkman' services – a 'too good to go' scheme	Enhance our ability to estimate our operational scope 3 emissions in order to better understand our baseline	Wider emissions baseline data available	SECR SASB TCFD Aligned to SDG 13.2 13 CLIMATE ACTION INTEGRATE CLIMATE CHANGE MEASURES INTO POLICIES AND PLANNING
		Scoping of initiatives to enable our people to reduce their emissions	Emissions reduction	
		Implementation of an environmental policy	Formalised approach to reducing our environmental footprint	
		Zero electronic waste sent to landfill	Reduction in kg of electronic waste sent to landfill	

ESG continued

Climate-related Financial Disclosures

The Task Force on Climate-related Financial Disclosures ("TCFD") provides consistent methodology for climate-related disclosures, enabling us to provide clear and comparable information to support informed capital allocation. Reporting against TCFD recommendations is not mandatory for us this year, as an AIM listed business with fewer than 500 employees. We have, however, decided to expand our ESG disclosures to cover this comprehensive framework ahead of schedule, enabling us to build strong foundations on our journey to full compliance with the TCFD's recommendations.

Recommendations of the TCFD are structured around four thematic areas: governance, strategy, risk management, and metrics and targets, underpinned by recommended disclosures. Our compliance with each of the recommended disclosures is indicated using a colour-coded key.

Key

- ● Compliant
- ● Currently non-compliant but compliance planned for 2023
- ● Currently non-compliant but compliance forecast in 24–36 months

		Disclosure
Governance	**A** ● (Compliant) Describe the Board's oversight of climate-related risks and opportunities.	Fintel's governance structure, enhanced in 2022 through formation of the ESG and Wellbeing Committee, aims to ensure that environmental, social and governance ("ESG") risks and opportunities are considered by the Board and management in all strategic decisions. The Board oversees setting and delivery of the overall strategic direction of the business, including oversight of the ESG strategy, and is responsible for management of all risks, including climate-related risks and opportunities. All principal risks, including climate-related risk, are outlined within the Risk management section of the annual report, which can be found on pages 37 to 40 along with Fintel's risk management framework. The risk register, our risk management framework and internal controls are reviewed at the Audit Committee meetings, and frequency of these is outlined on page 47. The Board delegates certain matters to the ESG and Wellbeing Committee, including management and oversight of the Group's ESG strategy, ensuring compliance with relevant legal and regulatory requirements, and ensuring appropriate management of ESG risks and opportunities.
Governance	**B** ● (Compliant) Describe management's role in assessing and managing climate-related risks and opportunities.	To further strengthen our risk management framework, in 2022 we formed the Enterprise Risk and Business Performance ("ERBP") steering group. Chaired by our People and Operations Director, the group meets quarterly to develop and support execution of enterprise risk management processes, which includes assessment and management of climate-related risks and opportunities; and oversee implementation of unit-specific risk response plans. The ERBP members include the Chief Financial Officer, members of the Executive Leadership Committee, and a representative of the ESG and Wellbeing Committee. ERBP regularly reports to the Audit Committee and the Board, and will liaise with the ESG and Wellbeing Committee on climate-related response plans.

ESG continued

Key
- Compliant
- Currently non-compliant but compliance planned for 2023
- Currently non-compliant but compliance forecast in 24–36 months

Strategy

	Disclosure
A Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Climate change has been identified as one of the principal risks and is currently classified and monitored as an emerging risk. A comprehensive climate-related risk and opportunity assessment, considering short-, medium- and long-term time horizons will be conducted in 2023. The assessment will consider both physical climate-related risks, as well as risks and opportunities related to the transition to a low carbon economy, which will be supported by development of adaptation and mitigation strategies.
B Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	The climate-related risk and opportunity assessment scheduled for 2023 will include a materiality assessment of risks and opportunities presented by climate change, focused not just on the impact we have as a business, but also on what impact actual and potential risks of changes in climate might have on our business strategy and financial planning, as well as on our key stakeholders.
C Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	A scenario analysis to determine resilience of our strategy against different climate-related scenarios will be conducted in the next 24 months.

Risk management

	Disclosure
A Describe the organisation's processes for identifying and assessing climate-related risks.	Assessment and management of Fintel's climate-related risks is fully embedded within our enterprise risk management process, which is outlined on page 37. Existing and emerging regulatory requirements, business activities, external and internal strategic threats, operational issues and compliance with laws and reporting obligations are all considered as part of our enterprise risk management process. A comprehensive climate-related risk assessment will be conducted in 2023, grading each identified risk as minor, moderate or major, based on both likelihood and severity of occurrence of each identified risk.
B Describe the organisation's processes for managing climate-related risks.	Once our climate-related risk assessment is complete, accountability for implementation of specific response plans will be delegated to business units, which are responsible for day-to-day management of risks and implementation of operational improvements. The ERBP will monitor implementation of response plans, with implementation of climate-specific plans also being monitored by the ESG and Wellbeing Committee and supported by the central ESG team. Climate-related risks and opportunities, and their mitigating controls and actions will be captured in a central risk management system, due to be implemented in 2023, which will provide increased transparency of risks and enhanced reporting.
C Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	The process we will use for assessing and identifying both current and emerging climate-related risks and opportunities is the same as for all our risks and uses our risk management framework, outlined on page 37.

ESG continued

Key

- Compliant
- Currently non-compliant but compliance planned for 2023
- Currently non-compliant but compliance forecast in 24–36 months

		Disclosure
Metrics and targets	**A** Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Fintel currently measures its energy consumption; scope 1, scope 2 and limited scope 3 emissions; and associated carbon intensity ratio. Our emissions are reported in accordance with the Greenhouse Gas ("GHG") Protocol.
Metrics and targets	**B** Disclose scope 1, scope 2, and, if appropriate, scope 3 greenhouse gas ("GHG") emissions, and the related risks.	The scope 1, scope 2 and scope 3 emissions currently measured by the Company can be found on page 32. Related risks will be identified as part of the climate-related risk assessment scheduled for 2023.
Metrics and targets	**C** Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Specific targets identified to manage climate-related risks and opportunities will be formalised following the climate-related risk assessment. For 2023, the Company has set goals related to management of its environmental footprint, which can be found on page 28, as well as goals related to opportunities resulting from enablement of ESG criteria across financial services, which can be found on page 27.

Our climate-related strategy roadmap

We are committed to fully embracing recommendations of the Task Force for Climate-related Financial Disclosures and will continue enhancing our disclosures, until full compliance is achieved.

2023

Conduct climate-related risk and opportunity assessment

Develop adaptation and mitigation strategies

2024

Conduct a scenario analysis to determine resilience of our strategy against different climate-related scenarios

2025

Set climate-specific targets

Consider establishing third-party verification for GHG emissions data

ESG continued

Streamlined Energy and Carbon Reporting

Our Streamlined Energy and Carbon Reporting ("SECR") statement for the FY22 was prepared in line with the internationally recognised Greenhouse Gas Protocol to ensure comprehensive and standardised data calculations.

Our emissions 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. Data from our first reporting period of 2020 will continue to be used as a benchmark.

A location-based method has been used to calculate emissions with the 2022 Government conversion factors applied to allow conversion to tonnes of carbon dioxide equivalent ("CO_2e").

Our scope 1 emissions cover gas consumption, and the calculations are based on usage quoted within utility bills for two of our office locations, which utilise gas heating.

Our scope 2 emissions were calculated using electricity usage quoted within utility bills with reasonable usage assumptions based on like-for-like office space occupation, where detailed data was not available.

We have seen a slight reduction in both scope 1 (by 10%) and 2 (by 13%) emissions compared to the previous period, mainly driven by reduced office space, following disposal of Zest Technology in 2021.

Scope 3 emissions were calculated based on staff expense claims and fuel card information; and in 2022 were expanded to cover emissions from cloud data storage, based on Microsoft 365 emissions impact dashboard. Our continued adoption of cloud-based technology resulted in c.3.792 mtCO_2e (c.99%) data storage emissions reduction in 2022, compared to on-premise alternative. In the previous two periods we have seen reduced staff business travel due to COVID-19 restrictions, which returned to pre-pandemic levels in 2022, resulting in an increase in overall scope 3 emissions.

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. Further details of our progress in 2022 can be found on page 25 and our goals related to reduction of our environmental footprint can be found on page 28.

UK greenhouse gas emissions and energy use data between the period 1 January and 31 December

	2020	2021	2022
Energy consumption used to calculate emissions (kWh)	1,054,080	1,049,485	**1,353,089**
Energy consumption breakdown (kWh):			
Gas	135,718	135,808	**122,161**
Electricity	270,170	345,244	**331,499**
Transport fuel	648,193	568,434	**899,421**
Cloud data storage	–	–	**7**
Scope 1 emissions in metric tonnes of CO_2e: Gas consumption	24.95	24.87	**22.30**
Scope 2 emissions in metric tonnes of CO_2e: Purchased electricity	62.99	73.31	**64.11**
Scope 3 emissions in metric tonnes of CO_2e:			
Business travel in employee-owned vehicles	160.71	139.85	**221.91**
Cloud data storage	–	–	**2.07**
Total gross emissions in metric tonnes of CO_2e	248.65	238.03	**310.38**
Intensity ratio: Tonnes of CO_2e per £1m of revenue			
Scope 1 and 2 emissions intensity ratio (tCO_2e/£m)	1.44	1.54	**1.30**
Scope 1, 2 and 3 emissions intensity ratio (tCO_2e/£m)	4.08	3.73	**4.66**

Financial review

David Thompson
Chief Financial Officer

> A year of continued financial performance with strong operating cash flows."

Three-year core revenue progression (£m)

£56.4m

Strong financial performance, positioned for growth

Revenue

The business has performed well during 2022, with core revenue growth of 8%, outperforming our medium-term core revenue growth target of 5–7%.

Our core revenues grew to £56.4m (FY21: £52.2m) showing the resilience of our membership and subscription based operating model, marking both full recovery from the earlier impacts of the COVID-19 pandemic, and showing strong resilience to the current macroeconomic landscape.

On a statutory basis the Group, including the non-core property surveying business, saw overall turnover increase to £66.5m (FY21: £63.9m).

Divisional performance

Intermediary Services

Intermediary Services core revenue increased 6% to £23.5m (FY21: £22.1m). On a statutory basis, segment turnover decreased 2% to £23.5m (FY21: £24.0m), due to the inclusion in the prior year of six months of trading of Zest Technology which was part of a strategic disposal in July 2021.

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.

In 2022 the Intermediary Services division delivered:

- Average revenue per customer ("ARPC") of £7,807 (FY21: £7,026) – an increase of 11.1%;
- Membership fee income of £11.5m (FY21: £10.9m) – an increase of 5.5%;
- Software licence income of £6.3m (FY21: £6.0m) – an increase of 5.0%;
- Additional services income of £5.7m (FY21: £5.2m) – an increase of 9.6%; and
- Gross profit* of £9.5m (FY21: £7.4m) with gross profit margin** of 40.4% (FY21: 30.8%). The improved margin reflects increased investment in our delivery platform, a broadened user base and a consequential uplift in ARPC. Excluding the impact of the prior year sale of Zest Technology, comparable profit margin was 34.1% during 2021.

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

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

Financial review continued

Divisional performance continued

Distribution Channels

Distribution Channels revenue performed consistently at a statutory level of £23.1m (FY21: £23.1m). Allowing for the sale of Verbatim in 2021, like-for-like organic growth year on year was 7.4%.

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

In 2022 Distribution Channels delivered:

- Core commission revenues of £8.1m (FY21: £8.3m). Allowing for the disposal of Verbatim during 2021, core commission revenues have increased by 22.7% on a comparable basis, largely driven by strong lending performance in the year. Core commission revenues in 2021 include Verbatim revenues of £1.7m to September 2021, being the date of the strategic disposal;
- Marketing services revenues of £4.9m (FY21: £5.1m);
- Non-core panel management and valuation services revenues of £10.1m (FY21: £9.8m); and
- Gross profit of £9.2m (FY21: £10.9m) with gross profit margin of 39.8% (FY21: 47.2%). Adjusting for the impact of the Verbatim disposal, prior year gross profit margin is 38.4% on a like-for-like basis. The year on year increase in margin on a like-for-like basis is reflective of strong lending performance in mortgages balanced by increased activity in non-core surveying business at lower margins, and the increased cost of delivering more in-person events as opposed to virtual events seen during periods of COVID lockdown throughout 2021.

Fintech and Research

Fintech and Research revenues grew by 18.7% to £19.9m (FY21: £16.8m).

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

In 2022 we further enhanced our fintech and research capabilities, including:

- Enhancements to financial planning software including new back office integration and launch of new cashflow modelling and fund analysis modules;
- Expansion of ratings portfolio coverage, including launch of new Diamond Ratings for investment trusts; and
- Defaqto ESG research platform expanded to cover 110 retail investment funds.

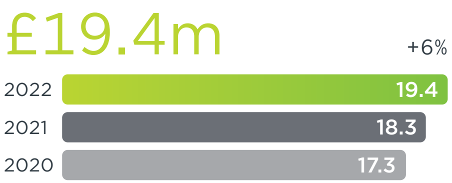
In 2022 the Fintech and Research division delivered:

- Software revenue of £9.5m (FY21: £8.0m) – an increase of 18.8%;
- Product ratings revenue of £8.9m (FY21: £8.0m) – an increase of 11.2%;
- Other income of £1.5m (FY21: £0.8m) from consultancy and ad hoc work; and
- A strong gross profit margin of 62.8% (FY21: 64.3%).

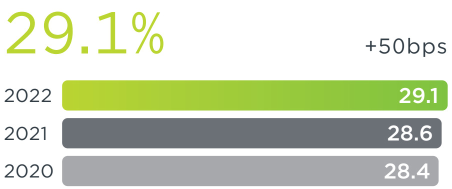
Profitability

Our adjusted EBITDA has grown in line with revenue, achieving £19.4m (FY21: £18.3m), an increase of 6.0%.

Three-year adjusted EBITDA track record (£m)



Three-year adjusted EBITDA margin progression (£m)



The resulting adjusted EBITDA margin of 29.1% (FY21: 28.6%) compares well with prior periods due to improved revenue mix with continued growth on higher margin business lines.

The business continues to deliver towards medium-term targets, and is well positioned for continued scalable growth.

Adjusted EBITDA margin is calculated as adjusted EBITDA (as defined in note 9), 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.

The adjusted EBITDA in our core business has also performed well, increasing 9% to £18.6m (FY21: £17.1m). The core adjusted EBITDA is the adjusted EBITDA calculated above excluding the trading results of our non-core property surveying business.

Exceptional items

The operating charge to the income statement in respect of exceptional items of £1.4m (FY21: exceptional income of £7.8m) includes the following:

- Operating expenses (£0.7m) - £0.5m "Transformation costs" which includes implementation costs to enhance Fintel's customer relationship management platform ("CRM") and a new enterprise resource planning system ("ERP"), £0.1m debt refinance and £0.1m M&A costs; and
- Impairment on disposal of operations (£0.7m) relating to impairment of the contingent consideration recognised in respect of the Verbatim funds.

In 2021 exceptional income related entirely to transaction-related activity, specifically the strategic disposal of Zest Technology and the Verbatim funds.

The finance charge to the income statement in respect of exceptional items of £0.1m comprises accelerated amortisation of loan arrangement fees in relation to the refinancing of the revolving credit facility ("RCF").

No other costs have been treated as exceptional.

Share-based payments

Share-based payment charges of £1.3m (FY21: £1.1m) have been recognised in respect of the options in issue.

Financial review continued

Financial income and expense

Net finance expenses of £0.5m (FY21: £0.7m) relate to the utilisation of the Group's five-year RCF, which was fully repaid and remains undrawn since 30 June 2022. Strong operating cash inflows have allowed the business to fully repay the RCF. The interest cost on the drawn portion of the facility has reduced as a result.

Taxation

The underlying tax charge of 19% for the period (FY21: 20%*) includes the beneficial impact of research and development claims for Defaqto. 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.£2.9m in corporation taxes evenly throughout the year.

An additional amount in respect of the realised taxable gain on disposal of subsidiaries in 2021 was also paid in FY22.

Financial results

	Year ended 31 December 2022 £m	Year ended 31 December 2021 £m
Group revenue	**66.5**	63.9
Expenses	**(47.1)**	(45.6)
Adjusted EBITDA	**19.4**	18.3
Adjusted EBITDA margin %	**29.1%**	28.6%
Depreciation	**(0.3)**	(0.3)
Depreciation of lease asset	**(0.4)**	(0.6)
Amortisation of development expenditure and software	**(1.1)**	(1.5)
Adjusted EBIT	**17.6**	15.9
Operating costs of an exceptional nature	**(0.7)**	—
Gain on sale of subsidiary	**—**	4.3
(Impairment)/gain on sale of operations	**(0.7)**	3.5
Share option charges	**(1.3)**	(1.1)
Amortisation of other intangible assets	**(2.0)**	(2.0)
Net finance costs	**(0.5)**	(0.7)
Profit before tax	**12.4**	19.9
Taxation	**(2.3)**	(4.3)
Profit after tax	**10.1**	15.6
Adjusted earnings per share** ("EPS")	**12.2**	10.5

* Excluding effects of a significant one-off impact of the change in corporation tax rates in the UK from 19% to 25%.

** 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.

Earnings per share

Earnings per share has been calculated based on the weighted average number of shares in issue at each balance sheet date. Adjusted earnings per share in the period amounted to 12.2 pence per share (FY21: 10.5 pence per share). In 2021, the aforementioned impact of the change in UK corporation tax rates from 19% to 25% resulted in a higher tax charge by £1.4m. Excluding this one-off impact, the adjusted EPS at 2021 would have been 12 pence per share on a comparable basis.

Cash flow and closing cash position

At 31 December 2022, the Company total cash position was £12.8m with nil debt utilisation, which compares favourably to a net cash position of £2.6m as at 31 December 2021 (£9.4m total cash net of £6.8m utilisation of the existing RCF arrangement). The RCF was fully repaid and remains undrawn since June 2022. Net cash is calculated as cash and cash equivalents less borrowings net of amortised arrangement fees. This represents a net cash to adjusted EBITDA ratio of 0.7 times (31 December 2021: 0.1 times).

Underlying operating cash flow conversion was strong at 118% (FY21: 116%), 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 9 to the financial statements.

Underlying operating cash conversion (%)

118%

+200bps

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

Debt refinancing

During the year, the Board conducted a planned reassessment of the Group's available financial resources as the RCF entered the final 18-month period until maturity. The Board decision included extending the existing RCF to provide additional debt funding for both organic growth and strategic acquisitions. A new four-year RCF was arranged, increasing our borrowing capacity to £80m. In doing so, the banking syndicate was increased from two to three banks, more favourable terms were achieved including a reduction in overall leverage-based margin grid from 150bps-260bps to 150bps to 240bps, the option of a £20m accordion, and the retention of existing leverage covenants.

Financial review continued

Capital allocation

The Group's priority is to execute targeted growth through digitisation, growing revenue, margin and quality of earnings. Strategic initiatives include organic investment in enhancing and broadening our product offering; and inorganic investment, such as complementary partnerships and strategically aligned acquisitions. The Group manages its capital structure through regular review by the Board. In the event that the Group needs to adjust its policy, we retain an agile approach in order to meet the ever changing needs of our business and market.

Dividend

During the year the Company paid the final dividend in respect of FY21 of £2.1m, and an interim dividend in respect of FY22 of £1.0m. The Board is proposing a full year dividend in respect of FY22 of 3.25 pence, an increase of 8% on the FY21 dividend of 3.0 pence. The proposed final dividend of 2.25 pence (FY21: 2.00 pence) reflects the Group's strong business performance and cash generation during the year. The dividend is payable on 19 June 2023, to shareholders on the register on 19 May 2023 with an ex-dividend date of 18 May 2023, subject to shareholder approval at the Company's annual general meeting.

Dividend (pence per share)

FRC Audit Quality Review

As part of its process for monitoring the standards of audit work, the Audit Quality Review team of the Financial Reporting Council (FRC) reviewed EY's audit of the Group accounts for the year ended 31 December 2021, with the FRC report received in November 2022. There were no key findings to report.

Accounting policies

The Company's consolidated financial information has been prepared consistently in accordance with UK-adopted International Accounting Standards ("UK-adopted IAS"). 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 to 30 September 2024.

The Directors have robustly tested the going concern assumption in preparing these financial statements, taking into account a number of severe but plausible downside scenarios, which would collectively be considered remote. The Group benefits from a deleveraged balance sheet and strong liquidity position at 31 December 2022 and the Directors remain satisfied that the going concern basis of preparation in the financial statements 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
20 March 2023

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 and 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 low, moderate or significant risks. Principal risks are monitored and overseen by our Board and Audit Committee whilst oversight of the remaining lower materiality risks rests with our Enterprise Risk and Business Performance ("ERBP") steering group and our risk owners. A summary of the current principal risks, mitigating actions and status can be found on pages 38 to 40.

Risk management framework

The diagram below illustrates examples of how we manage risk across the organisation. This framework has been expanded from the prior year with addition of the ERBP, which develops and supports the execution of the enterprise risk management process and oversees implementation of response plans. 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.

Risk management report continued

Risk description	Mitigating actions	Impact potential	Change
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 – A strong Fintel brand governance process, led by the Director of Brand	Significant	The Fintel rebrand and framework delivered a strengthened brand for the Company. We refreshed our subsidiary brands with a view to implement the strengthened brand identities in 2023.
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 to ensure that they are relevant to the latest regulatory requirements – Regular reviews of the 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-subsidiary working group conducts ongoing assessment of regulatory threats	Moderate	We are aware of an increased regulatory burden on intermediary firms and provider partners and are always looking to develop our expertise and product offering to protect ourselves from this risk. Recent Consumer Duty regulation has further increased regulatory burden on both intermediaries and product providers. We have developed a number of support and technology services aligned to this regulation and will continue evolving our offering in this area.
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 in turn the Company.	– Fintel has a high proportion of recurring and SaaS and subscription-based revenues – The Board regularly reviews the financial markets for trends and deploys and amends its resources based on these assessments	Moderate	The Board observes closely the emerging risks of increasing inflation and resulting cost pressures, the developing financial risk in the global banking sector, and the revised tax structure of the UK. While Fintel does not operate in either Ukraine or Russia, the macroeconomic and humanitarian outcomes of the conflict remain under review.

No change Risk reduced Risk increased

Risk management report continued

Risk description	Mitigating actions	Impact potential	Change
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.	– A regular review of our network security arrangements, maintaining Cyber Essentials Plus accreditation across all relevant areas of the business – All staff receive regular training on cyber threats and other data loss and integrity risks – We ensure the correct level of permissions across all data in Fintel's control – Where data is shared externally to the Company, this is done under contractual arrangements – A cross-subsidiary technology governance team regularly monitors the data security and cyber risks	Moderate	Fintel continues to monitor and respond to this threat. We continually evolve and embed the use of cloud technology to benefit from the best cyber security standards available. Through our COVID-19 response, we now facilitate hybrid working for all staff, with robust security measures remaining in place to ensure data integrity.
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 customer concentration – We have a strong programme of engagement with our client base – 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 – We resell third party software to a significant proportion of our members	Moderate	To enhance key customer experience, we launched a partner portal, providing a single point of access to partnership information, with a view to further enhancing this in 2023 with a launch of insights and campaign functionality, providing access to live data.
Competition			
The 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	Retention of clients remains broadly in line with prior years and competitive threats are reviewed regularly. Our competitive positioning was further enhanced through the subsidiary brand refresh projects, due to be implemented in 2023.

No change Risk reduced Risk increased

Risk management report continued

Risk description	Mitigating actions	Impact potential	Change
Loss of 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 – Annual salary benchmarking is conducted to ensure visibility of key risk areas and timely mitigation – A Company-wide incentive scheme, aligned to strategic objectives – Regular monitoring of staff engagement and satisfaction on an anonymised basis, through the Peakon system, allowing us to promptly resolve any concerns raised	Moderate	Risk reduced We conduct annual salary reviews to ensure it remains competitive in the face of inflation. A comprehensive succession planning process has been conducted for leadership roles, with development plans in place for high potential successors. A dedicated learning and development budget supports staff development, retention and progression.
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 – Reporting in line with the Task Force on Climate-Related Financial Disclosures ("TCFD") further enhances the Company's visibility of emerging climate threats	Low	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 robust, recurring nature of our core revenue lines and strong cash flow conversion have allowed the Company to end 2022 with a strong cash position and fully deleveraged balance sheet since June 2022.

Assessment process and timeline

In accordance with provision 31 of the 2018 UK Corporate Governance Code, the Directors set out how they have assessed the Group's prospects, the period covered by the assessment and the Group's formal Viability statement.

In forming the Viability statement, 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 37 to 40 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 scenarios:

- Scenario 1 – 33% reduction in all core membership from January 2023 onwards;
- Scenario 2 – 50% reduction in product provider income from January 2023 onwards;
- Scenario 3 – 33% reduction in mortgage market from January 2023 onwards, affecting mortgage over-ride, valuations and commissions;
- Scenario 4 – 33% reduction in Defaqto Engage revenues from January 2023 onwards;
- Scenario 5 – scenarios 1–4 combined with no management actions taken to address the position; and
- Scenario 6 – 25% reduction in all Group revenue.

Access to financing

Given the Company's strong cash generation, proven abilities to pay down debt, current debt-free position, and new and increased four-year revolving credit facility, the Directors acknowledge that the Company has 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

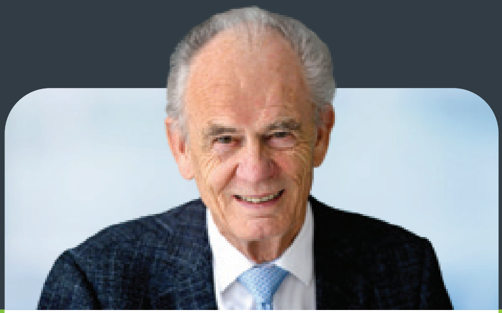
The Directors' assessment of the Company's prospects for the three-year period is based on the stress testing outlined above and the risk assessments considered as part of our risk management framework. The Directors believe this to be a suitably robust process that supports them to form a reasonable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

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 its 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 sector both in public and private companies. Ken has also supported and led 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&A leadership for growing organisations
- Extensive knowledge of financial services regulation, technology and products
- 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 roles:

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:

- Member of Finance Committee, University of Glasgow

Previous roles:

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

Board of Directors 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, Envetec Ltd

Previous roles:

SID and Chair of the Remuneration Committee at Gresham Technologies plc

Phil Smith

Independent Non-Executive Director
Appointed to the Board: May 2022

A R N

Key strengths and qualifications:

- Deep experience in M&A, joint venture partnerships and material business change, acting as principal on >30 M&A transactions
- Highly successful track record in building UK technology solutions and service propositions for B2B2C distribution across banking, insurance, asset management and IFA/wealth management
- Significant international working experience across UK, Continental Europe, Middle East, Asia Pacific and North America
- First class honours degree in Industrial and Business Systems, plus a postgraduate master's in Strategic Human Resource Management

Current external commitments:

- Chair, BEIQ Ltd
- Chair, Kore Labs Ltd
- Managing Partner, Equisolve Consulting Limited
- Advisory Board Member, Insignis Asset Management Limited
- Advisory Board Member, UK Fintech Growth Fund LLP

Previous roles:

Phil has 20 years of international financial services experience working in global "C-suite" positions for Prudential, Arthur Andersen, Fortis Bank and Barclays Wealth. Post this, Phil founded and rapidly grew a UK Fintech business, Embark Group, which was sold to Lloyds Banking Group in early 2022

Key to Committee membership

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

Board diversity

Number of Board members with the below skills

Technology/software experience:
●●●●●●●

Financial services experience:
●●●●●●

Previous PLC board experience:
●●●●●●

Driving growth and innovation:
●●●●●●●

Corporate governance report

Ken Davy
Non-Executive Chair

The Company's business model creates better outcomes for all stakeholders and is customer led, data driven and innovative."

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 while adhering to a robust corporate governance regime. 2022 was a year of strategic delivery including the successful scaling of our Distribution as a Service ("DaaS") proposition, with Invesco, Hawksmoor, Royal London, and M&G all committing to multi-year agreements, and the expansion of our strategic partnership with Schroders. In addition, we have launched and built foundations to deliver our comprehensive environmental, social, and governance ("ESG") strategy, which is fully aligned to our strategy, goals and vision to create better outcomes for all. As with last year, I focused on ensuring that these important strategic matters that made the year successful, and other key matters, received sufficient time and consideration at Board meetings and that key decisions were 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 2022.

Governance framework

Consistent with prior years, we continue to adopt the Quoted Companies Alliance Corporate Governance Code ("the 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 FY22. Compliance with the Code is reviewed and updated annually, and published on our website.

A summary of our compliance with the QCA Code can be found on page 45. 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:

- oversight of the signing of a long-term strategic distribution partnership with M&G plc;
- review of the Group's dividend policy and dividend allocation;
- ongoing evolution of our strategy and digitisation programme;
- oversight of the strategic partnerships with Invesco, Hawksmoor, Royal London, and M&G, scaling the DaaS proposition;
- nomination and appointment of Phil Smith as a Non-Executive Director;
- oversight of the selection and appointment of Almond+Co as the Company's Secretary following the resignation of Vicky Williams;
- review of the output from the 2021 Board evaluation and relevant action planning as a result; and
- evolution of our new ESG strategy. See pages 22 to 28 for further details.

Corporate governance report continued

QCA Code table compliance summary

Principle 1: Establish a strategy and business model which promotes long-term value for shareholders

The Company's business model is built on a strategy of being customer-led, data-driven and innovative. Its documented strategic plan is kept under regular review by the Board and focuses on expanding the business with a view to growth in shareholder value.

Principle 2: Seek to understand and meet shareholders' needs and expectations

The Company engages with its shareholders via numerous channels including:

- shareholder roadshows;
- trading and other statements made via the stock exchange;
- ad hoc shareholder meetings;
- our annual general meeting; and
- direct contact from shareholders.

Feedback from these channels is discussed by the Board and, as appropriate, our adviser teams to ensure solid understanding of the shareholder voice.

→ For any investor relations queries, please get in touch with us at: investors@fintelplc.com

Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Company maintains its reputation of integrity, transparency and delivering on its promises. This has allowed it to build strong and mutually beneficial relationships with consumers, financial intermediaries, employers and employees, product providers and regulators.

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Board is responsible for oversight of risks to safeguard that the business is exposed to neither unnecessary risks nor insufficient management of those risks. Principal risks are therefore monitored and overseen by our Board and Audit Committee whilst oversight of the remaining lower materiality risks rests with our leadership teams.

We understand that some risks are inherent in our business activities, and we recognise that not all risks are created equal. Our system involves assessing both the likelihood of a risk event occurring and the impact a realised risk would have on our operations. We then categorise the risk as minor, moderate or major.

Principle 5: Maintain the Board as a well-functioning, balanced team led by the Chair

All Board members have clearly defined roles and responsibilities. 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 complies with this provision and a full disclosure of how this is applied is set out in the annual report and accounts.

→ Details on the composition of the Board, along with details of Director independence, time commitment and number of meetings of the Board, can be found on pages 46 and 47

Principle 6: Ensure that between them the Directors have the necessary up-to-date experience, skills, and capabilities

The Board is satisfied that, between the Directors, it has an effective and appropriate balance of skills and experience required to execute the Company's strategy. The Nomination Committee has delegated authority from the Board to provide guidance to and monitor succession plans, talent assessment, and development plans of both management and the Board.

→ Further details of the roles and responsibilities of the Nomination Committee can be found on pages 53 and 54. Details of the skills and experience of the Board can be found on pages 42 and 43

Principle 7: Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

The annual evaluation of the Board is carried out internally by way of a self-evaluation questionnaire and is an important way to monitor the progress made over the years. 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. No significant issues that require improvement are highlighted. However, given the increasing scale and size of the Company this remains a key area of focus.

Principle 8: Promote a corporate culture that is based on ethical values and behaviours

The Board is committed to promoting a strong ethical and values-driven culture throughout the organisation. We are continuing to develop and communicate a set of values that explain who we are as a Company and what is important to us. Having a people-oriented ethos, where teamwork and commitment are recognised, is central to the success of our strategy and we pride ourselves on nurturing talent, with a number of our colleagues being supported through professional qualifications and work-based training programmes.

→ Further details on the Company's culture can be found on the website and on pages 20 and 21

Principle 9: Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

In 2023, the Board has decided to reduce the number of meetings to nine to ensure that they are as efficient as possible. If necessary, additional meetings will still be held as required. A formal Board programme is agreed before the start of each financial year and is structured, as far as possible, to align with the Company's annual financial programme. The Board is committed to a process of continuous improvement in its governance approach and aims to enhance and develop compliance with best practice.

→ Details on the Company's governance structure and Board Committees can be found on the website and on pages 46 to 48

Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Company communicates with shareholders through half-yearly trading updates and, as required, holds one-to-one meetings with existing or potential new shareholders. The Company's website includes the outcomes of shareholder votes cast at the AGM and historical annual accounts and AGM notices (since the Company's admission to AIM).

→ Details on the Company's governance structure can be found on the website and on pages 46 to 48

A more detailed description of Fintel's compliance with the QCA Code can be found on the Company's website at www.wearefintel.com/investors/directors-responsibilities/.

Corporate governance report continued

Board meeting attendance

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

Name	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Summary
Ken Davy	●	●	●	●	●	●	●	–	●	●	●	●	100%
Imogen Joss	●	●	●	●	●	●	●	–	●	●	●	●	100%
Tim Clarke	●	●	●	●	●	●	●	–	●	●	●	○	92%
Matt Timmins	●	●	●	●	●	●	●	–	●	●	●	●	100%
Neil Stevens	●	●	●	●	●	●	●	–	○	●	●	●	92%
David Thompson	●	●	●	●	●	●	●	–	●	●	●	●	100%
Phil Smith	–	–	–	–	●	●	●	–	●	●	●	●	100%

● Attended ○ Did not attend – Not applicable

Board meetings and attendance

The Board typically meets eight times throughout the financial year and as required on an ad hoc basis to conduct business of a routine and administrative nature. During 2022, the Board met formally 11 times.

The Chair, aided by the Company Secretary, is responsible for ensuring that, in order to inform decision making, Directors receive accurate, sufficient and timely information. 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 Company Secretary collates the Board and Committee papers that 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 ensures that any feedback or suggestions for improvement on Board papers are fed back to management. The Company Secretary also attends and 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.

Board composition and skills

The Board is comprised of three Executive Directors and four Non-Executive Directors ("NEDs") (including the Chair). The details of each Director are set out in the Board of Directors section of this report on pages 42 and 43. 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 that 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) to be independent.

All Board members have clearly defined roles and responsibilities. The roles of the 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, but 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 have no remunerated third-party commitments. Each Executive Director is permitted to take a Non-Executive role that is not remunerated and that the Board decides will be beneficial for the Executive Director's further personal development. During the year David Thompson commenced a role with the University of Glasgow, sitting on its Finance Committee.

Directors receive appropriate training where necessary, both when joining the Board and at regular intervals to ensure their knowledge remains up to date.

Corporate governance report continued

Role of the Board

The Board is responsible for the long-term performance of the Company so specific matters are reserved for the Board.

Matters reserved for the decision of the Board include, but are not limited to:

- Company strategy;
- corporate and capital structures;
- approval of key financial matters (including annual and interim results, budgets and dividend policy);
- material contracts;
- Board membership;
- Board remuneration;
- corporate governance matters;
- delegation of authority; and
- approval of policies.

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 the Company's strategy and the Board ensures continual improvement of processes, controls and risk management to ensure the governance framework remains fit for purpose as the Company grows.

Audit Committee

Name	3 meetings		
Imogen Joss	●	●	●
Phil Smith	–	●	●
Tim Clarke	●	●	●

● Attended ○ Did not attend – Not applicable

Remuneration Committee

Name	6 meetings					
Imogen Joss	●	●	●	●	●	●
Phil Smith	–	–	●	●	●	●
Tim Clarke	●	●	●	●	●	●

Nomination Committee

Name	6 meetings					
Tim Clarke	●	●	●	●	●	●
Imogen Joss	●	●	●	●	●	●
Phil Smith	–	–	–	–	●	●

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.

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 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.

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. See the Remuneration report on pages 55 to 57 for further details on the Committee's activities.

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 is chaired by Imogen Joss. The Committee met more frequently in 2022 to ensure the smooth appointment of a new Non-Executive Director.

Corporate governance report continued

ESG and Wellbeing Committee

In January 2022, having considered the results of a comprehensive assessment conducted in the previous year, the Board approved a new ESG strategy. A new Committee was ratified to ensure that the Company's approach to ESG is clearly set out and consistently monitored and adapted to suit evolving needs of Fintel's stakeholders, further strengthening the Company's governance framework.

The Committee is comprised of Imogen Joss as Chair, along with Matt Timmins (Joint Chief Executive Officer), Vicky Williams (Company Secretary)*, Kate Kwiatkowska (Head of ESG and Corporate Marketing), Amber Lippiett (Director of Brand) and Emily Blain (People and Operations Director). Full details of the Committee's remit and activities undertaken in 2022 can be found on pages 49 and 50 of this report.

* Until her resignation in October 2022.

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 13 and 14.

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 12. The Company has a documented strategic plan which focuses on expanding the business with a view to growing shareholder value as more fully outlined on pages 15 and 16. 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 37 to 40.

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, and 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 37 to 40.

Company culture

The Board is committed to promoting a strong ethical and values-driven culture throughout the organisation. Following the parent company rebrand to Fintel we defined a set of shared values and behaviours to further strengthen our cultural framework and ensure it is reflective of our ambitions, our people and our role in the sector. You can read more about these within the Joint Chief Executive Officers' statement on pages 7 to 10.

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 strive to build an environment for everyone to thrive and to ensure consistent progress is made in this area, the ESG and Wellbeing Committee regularly monitors several metrics, including employee satisfaction wellbeing and engagement. 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 and 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.

Emily Blain, People and Operations Director, was appointed as the Company's Whistleblowing Officer following the resignation of Vicky Williams, the former Company Secretary, 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.

Ken Davy
Non-Executive Chair

ESG and Wellbeing Committee report

Imogen Joss
Chair of the ESG and Wellbeing Committee

> **We have laid solid foundations, enabling us to further embed and advance our ESG strategy, delivering better outcomes for all our stakeholders."**

On behalf of the Board, I am pleased to present the ESG and Wellbeing Committee report for FY22.

Last year, led by our purpose of inspiring better outcomes and following a comprehensive materiality assessment with our key stakeholders, we formalised our ESG strategy. Based on three core pillars: better future, better industry and better business, the strategy defines 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.

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 helps 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 Committee is supported by a central ESG team, providing strategic direction and guidance to help deliver the sustainability agenda across different divisions.

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 are more fully set out in its terms of reference which are available at www.wearefintel.com/investors/directors-responsibilities/.

The key matters considered by the Committee in FY22 included:

- appointment of employee members of the Committee;
- evaluation of ESG strategies of peer group companies to inform our approach;
- review and approval of the new ESG strategy;
- review and approval of the Committee's terms of reference;
- review and approval of the FY21 ESG report;
- review and approval of the Committee report to the accounts;
- review of a new Fintel Code of Ethics;
- approval of membership of Progress Together; and
- review and approval of 2023 ESG goals, forming part of the Better Outcomes Plan.

Imogen Joss
Chair of the ESG and Wellbeing Committee

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 expert

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 Committee consists of one Independent Non-Executive Director: me as Chair; one member of the Board's management team: Matt Timmins (Joint Chief Executive Officer); and employee members: Emily Blain (People and Operations Director and Wellbeing Adviser), Amber Lippiett and Kate Kwiatkowska (ESG subject matter experts) and Vicky Williams (Company Secretary, until her resignation in October 2022). The Board considers that the members collectively have the balance and skills required to discharge their duties effectively.

Emily Blain

People and Operations Director

Emily is a skilled, FCIPD qualified HR leader with nearly 20 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 18 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.

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."

Committed to ensuring sound governance arrangements

On behalf of the Board, I am pleased to present the Audit Committee report for the period ended 31 December 2022.

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: Phil Smith (from May 2022), 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 meetings by invitation.

The Committee met three 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 FY21 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 2022 interim statement, and consideration of an interim dividend;
- approval of an interim dividend that was paid in November 2022;
- 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.

Audit Committee report continued

Role of the external auditor

EY was re-appointed as the Company's auditor at the 2022 annual general meeting.

The re-appointment of EY for the financial year ending 31 December 2023 will be subject to approval by shareholders at the next annual general meeting of the Company to be held in 2023.

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.

FRC review of external auditor

During the year the Financial Reporting Council ("FRC") conducted an Audit Quality Review ("AQR") in respect of EY's external audit of the Company for the year ended 31 December 2021, with the FRC report received in November 2022. There were no key findings to report. More details of the FRC's AQR regime can be found at www.frc.org.uk/auditors/audit-quality-review.

Internal audit

At present the Company does not have a formal 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 48 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 it 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 whistleblowing

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 Whistleblowing Officer (Emily Blain, People and Operations Director) and a documented policy to support individuals to raise any concerns confidentially and without fear of reprisal. During 2022 there were no whistleblowing 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.

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 the skills and experience on the Board.”

Committed to ensuring sound governance arrangements

I am pleased to present the Nomination Committee report for FY22.

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 2023.

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: Phil Smith (from May 2022), 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 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 six times during the year and attendance at those meetings is shown on page 47 of the Corporate governance report.

Matters considered by the Committee in FY22 included the following material items:

- considered succession planning for the Executive Committee;
- continued the search for an appropriate Chair of the Board following Ken Davy’s re-appointment as Chair;
- assessed and appointed Phil Smith as a Non-Executive Director in May 2022;
- assessed the composition of the Board, including in relation to the Committee Chair and membership;
- reviewed the time commitment from the Non-Executives and determined this was satisfactory;
- 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 42 and 43 of this annual report.

As at the end of the FY22, senior leadership, comprising the Executive Committee and its direct reports (excluding administrative assistants), consists of 14 females and 30 males, meaning a 32% 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 foster a supportive and inclusive culture, where people from diverse backgrounds can thrive, the Company offers a number of modern, flexible policies; provides mandatory diversity, equity, and unconscious bias training for all staff; and regularly monitors perceived inclusivity via anonymous surveys.

Appointments to the Board during FY22

Phil Smith was appointed to the Board as a Non-Executive Director on 3 May 2022. He is considered to be independent.

Resignations from the Board during FY22

There were no resignations from the Board in 2022.

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 Phil Smith as well as the approval of the ongoing 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 shape individual development plans for key individuals was further advanced during the year with succession plans now implemented for all leadership roles. 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.

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 on account of his material shareholding and processes are in place to ensure any conflicts arising from Ken's shareholding are closely managed. The Board currently has three Independent Directors, namely Tim Clarke, Phil Smith, 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 interest and related party transactions. The Board recognises that Institutional Shareholder Services ("ISS") voting guidance had previously highlighted independence concerns over Tim Clarke due to the Company's previous 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 the Company and PPCF, and Tim abstains from any discussions on the selection of corporate advisers for transactions. There have been no engagements made with PPCF during the FY22. 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 42 and 43.

Imogen Joss
Chair of the Nomination Committee

Remuneration report

Imogen Joss
Chair of the Remuneration Committee

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."

Committed to ensuring sound governance arrangements

As Chair of the Remuneration Committee, 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, the Company 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. The Company makes the following disclosures voluntarily. The content of this report is unaudited unless stated.

Members of the Remuneration Committee

The Remuneration Committee ("RemCo") comprises Independent Non-Executive Directors only. During the year, Tim Clarke, Phil Smith (from May 2022) and I were members of the RemCo. The RemCo met six times during the year and the attendance at those meetings is shown on page 47. The Company Secretary attends all the RemCo meetings as secretary and, by invitation, they are also attended by the Joint Chief Executive Officers, the Chief Financial Officer, the People and Operations 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 RemCo is responsible for determining the remuneration and other terms of employment for the Executive Directors of the Company 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 engaged independent consultants to provide advice to the RemCo on matters relating to executive remuneration and all-employee share awards. The consultants were considered to be independent of both the Board and each of the Executive and Non-Executive Directors. They have 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 RemCo 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 RemCo 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 the Company are set out on page 57.

Remuneration report continued

Activity during the year:

- considered the use of long-term incentive plans and considered staff engagement more broadly;
- considered how ESG should be reflected in goals and rewards;
- through the use of remuneration consultants and our own knowledge, ensured that the structure of rewards is appropriate for attracting and retaining talent;
- reviewed and approved the Directors' remuneration report in the FY21 annual report and accounts;
- reviewed the financial and strategic FY22 bonus metrics and targets, increasing the cash annual bonus element of reward from a maximum of 100% of base salary to 125%;
- awarded an increase in base pay to the Chief Financial Officer after a periodical review; and
- discussed and considered gender pay gap reporting.

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 2022 are shown in the table on page 57. Related party transactions involving Directors are disclosed in note 33 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 125% of base salary which becomes payable if certain financial and non-financial targets are met. The RemCo 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 57 refer to performance awards based on the financial year ended 31 December 2022 which were paid in March 2023. For the financial year ended 31 December 2022, the annual bonus award criteria were split 75% in relation to financial performance targets and 25% for the achievement of personal objectives.

Directors' interests

Details of the Directors' shareholdings are included in the Directors' report on page 58.

Share price

The market price of the Company's shares on 31 December 2022 was 207.5 pence per share. The highest and lowest market prices during the year were 240 pence and 166 pence respectively.

Share options and incentive schemes (audited)

As of 31 December 2022, no current Directors of the Company have shares remaining under option except in relation to the Value Builder scheme described below.

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 ("the 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 ("the 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. There is intended to be a maximum of three tranches of award, with each potential new award assessed annually by the Committee. The first Tranche award ("Tranche 1") 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 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 the Company ("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.

No second award was made by the Committee in 2022 and Tranche 1 remains the only extant award.

Under Tranche 1, 42 Units have been allocated to Directors in the amounts listed in the table on page 57 and 40 Units have been allocated to other persons discharging managerial responsibilities ("PDMRs"). An additional 18 Units are allocated amongst 18 key personnel within the Company (non-PDMRs).

Remuneration report continued

Value Builder Plan continued

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

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 2022 £000	Contractual salary 2022 £000	Benefits 2022 £000	Bonuses 2022 £000	Loss of office 2022 £000	Employer's pension 2022 £000	Total emoluments 2022 £000	Total emoluments 2021 £000
Non-Executive Chair	Ken Davy	110	110	—	—	—	—	110	110
Executive	Neil Stevens	315	315	14	162	—	3	494	347
	Matt Timmins	315	315	14	162	—	3	494	347
	David Thompson*	252	275	6	142	—	4	404	197
Non-Executive	Tim Clarke	65	65	—	—	—	—	65	65
	Imogen Joss	65	65	—	—	—	—	65	65
	Phil Smith**	37	55	—	—	—	—	37	—

* David Thompson received a 16% pay rise on 1 August 2022 pursuant to a periodical review.

** Phil Smith joined the Board on 3 May 2022.

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 2022. 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 41) and the Corporate governance report (found on pages 44 to 48) 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

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"). The Company is the ultimate parent company of the Group and trades principally through its subsidiary undertakings. The Company'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 89.

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 33 to 36) report on the performance of the Company during the year ended 31 December 2022 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:

Ken E Davy
Matt L Timmins
Neil M Stevens
David Thompson
Tim P Clarke
Imogen M Joss
Phil J Smith (appointed 3 May 2022)

Directors' shareholdings (audited)

The Directors who held office at 31 December 2022 had the following interests in the shares of the Company as at 31 December 2022:

	Number of Ordinary Shares held	Percentage of issued Ordinary Share capital
KE Davy*	26,137,774	25.22%
ML Timmins**	3,835,000	3.71%
NM Stevens	3,800,000	3.67%
D Thompson	50,000	0.05%
IM Joss	36,000	0.03%
TP Clarke	17,202	0.02%

* Includes all shares held in trusts managed by Ken Davy and 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 2022, 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	25.22%
Liontrust Asset Management	12,540,392	12.10%
Slater Investments	10,424,079	10.06%
Gresham House Asset Management	10,212,066	9.85%
FIL Investments International	6,275,405	6.06%
ML Timmins**	3,835,000	3.71%
NM Stevens	3,800,000	3.67%

* Includes all shares held in trusts managed by Ken Davy and 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 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 https://check-payment-practices.service.gov.uk/company/09619906/reports.

Directors' report continued

Research and development

Company research and development activities relate to IT product development.

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 32.

Annual general meeting

The annual general meeting of the Company is to be held on 18 May 2023. 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 2022 of 3.25 pence per share, representing a year on year increase of 8%. Following an interim dividend payment of 1 pence per share in November 2022, a final dividend of 2.25 pence per share would be payable on 19 June 2023, to shareholders on the register on 19 May 2023 with an ex-dividend date of 18 May 2023, subject to shareholder approval at the AGM.

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

A resolution to re-appoint Ernst & Young LLP as the Company's auditor will be proposed to shareholders at the AGM. Each of the Directors at the date of approval of the annual report and accounts 2022 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
20 March 2023

ML Timmins
Director
20 March 2023

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 and parent 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 Fintel's transactions and disclose with reasonable accuracy at any time the financial position of the Group and parent 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 parent 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 Fintel'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 20 March 2023, and signed on its behalf below.

By order of the Board

NM Stevens
Director
20 March 2023

ML Timmins
Director
20 March 2023

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 December 2022 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 2022 which comprise:

Group	Parent company
Consolidated statement of financial position as at 31 December 2022	Company statement of financial position as at 31 December 2022
Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2022	
Consolidated statement of changes in equity for the year then ended 31 December 2022	Company statement of changes in equity for the year then ended 31 December 2022
Consolidated statement of cash flows for the year then ended 31 December 2022	
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 30 September 2024. 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 confirmed the covenants associated with the Group's 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 December 2026;
- assessing management's historical forecasting accuracy by comparing the actual results of the Group to the budgeted amounts and evaluating the reasons for significant variances identified. This includes confirming 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 assessment;
- 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 using external data. The key assumptions being the forecast revenue and EBITDA. We understood and challenged the rationale for the downside factors incorporated into these financial models and the range of sensitivities applied;
- reviewing and evaluating the outcome of management's reverse stress test which quantifies the reduction in forecast revenue and EBITDA required to cause the Group to breach its loan covenants and/or exhaust their liquidity;

Independent auditor's report continued

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

Conclusions relating to going concern continued

- 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; and
- reviewing the Group's going concern disclosures included in the Annual Report in order to assess whether the disclosures are appropriate and in conformity with the accounting standards.

We observed that at 31 December 2022 the Group had cash and cash equivalents of £12.8m in addition to undrawn committed facilities of £80.0m expiring in December 2026. 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 current and forecast trading performance of the Group.

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 30 September 2024.

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 nine full scope components and audit procedures on specific balances for a further three components. – The components where we performed full or specific audit procedures accounted for 98% of profit before tax, 99% of revenue and 100% of total assets.
Key audit matters ("KAM")	– Risk of inappropriate revenue recognition arising from manual adjustments to revenue including inaccurate accrual and deferral of revenue. – Risk of inappropriate assessment of the recoverability of goodwill within the Research and Fintech CGU.
Materiality	– Overall Group materiality of £680,000 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 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 12 components covering entities within the United Kingdom which represent the principal business units within the Group.

Of the 12 components selected, we performed an audit of the complete financial information of nine components ("full scope components") which were selected based on their size or risk characteristics. For the remaining three components ("specific scope components"), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

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 98% (2021: 99%) of the Group's Profit before tax, 99% (2021: 97%) of the Group's Revenue and 100% (2022: 98%) of the Group's Total assets. For the current year, the full scope components contributed 89% (2022: 98%) of the Group's Profit before tax, 94% (2022: 91%) of the Group's Revenue and 97% (2021: 96%) of the Group's Total assets. The specific scope component contributed 9% (2021: 1%) of the Group's Profit before tax, 5% (2021: 6%) of the Group's Revenue and 3% (2021: 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 11 components that together represent 2% 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 and obtaining external confirmation of cash balances held within those components.

Changes from the prior year

Following the Group's disposal activity in 2021 we have removed 2 components from our scope and replaced these with 2 components that were individually insignificant in 2021. The 2 new components included in scope in the current year accounted for 5% of the Group's revenue and have been classified as specific scope.

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 12 in scope components were performed directly by the primary audit engagement team.

Climate change

Stakeholders are increasingly interested in how climate change will impact Fintel plc. The Group has determined that the most significant future impacts from climate change on their operations will be from climate related risk events. These are explained on pages 29-31 in the Task Force for Climate related Financial Disclosures and on page 40 in the principal risks and uncertainties. They have also explained their climate commitments on page 28. All of these disclosures form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited 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, in line with our responsibilities on "Other information".

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The Group has explained in the Basis of Preparation note on page 71 how they have reflected the impact of climate change in their financial statements.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk, physical and transition, their climate commitments, the effects of material climate risks disclosed on page 40 and whether these have been appropriately reflected in non-current asset valuations. As part of this evaluation, we performed our own risk assessment to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

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.

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	Key observations communicated to the Audit Committee
Inappropriate revenue recognition arising from manual adjustments to revenue including inaccurate accrual and deferral of revenue. Refer to the Audit Committee report (page 51); accounting policies (page 73); and note 5 of the consolidated financial statements (page 80). In 2022 the Group reported total revenue of £66.5m (2021: £63.9m). 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 £1.3m (2021: £1.4m) of accrued income and £8.1m (2021: £8.1m) of deferred income at the balance sheet date. 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.	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. 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 we further investigated these, and where appropriate inspected underlying documentation. We performed audit procedures over this risk area, which covered 99% of the Group's total revenue. We also considered the adequacy of the Group's disclosures relating to revenue recognition in note 4 (critical accounting estimates and judgements) and note 5 (revenue).	Based on the procedures performed we consider the recognition of revenue to be appropriate for the year ended 31 December 2022. We did not identify any material misstatements due to inappropriate revenue recognition.

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	Key observations communicated to the Audit Committee

Inappropriate assessment of the recoverability of goodwill within the Research and Fintech cash-generating unit ("CGU").
Refer to the Audit Committee report (page 51); accounting policies (page 76); and note 18 of the consolidated financial statements (page 87).
The Research and Fintech CGU has associated goodwill of £48.0m (2021: £48.0m) as at 31 December 2022.
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 2022. 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 the appropriateness of cash flows included within the future forecast cash, long term 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; and
	  – 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 including to adjust for possible impacts of climate change, 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 analysis was required.
		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.
		We consider that Management has also established a reliable methodology for determining the underlying assumptions, including forecast growth rates and discount rates.

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 £680,000 (2021: £600,000), which is 5% (2021: 5%) 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 £1,150,000 (2021: £1,170,000), which is 1% (2021: 1%) of total equity. 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 the Group's performance materiality.

Starting basis	– Group profit before tax of £12.4m
Adjustments	– Non-recurring items of £1.5m including: – The movement in the fair value of contingent consideration relating to the prior year disposal of Verbatim – Transformation costs associated with the Group's new CRM and ERP systems
Materiality	– Totals £13.9m profit before tax adjusted for non-recurring items – Materiality of £0.68m (5% of materiality basis)

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 assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2021: 50%) of our planning materiality, namely £510,000 (2021: £300,000). We have set performance materiality at this percentage due to our conclusions in respect of the strength of the internal control environment and our assessment that there is a lower likelihood of misstatements. We note in the prior period performance materiality was set at 50% due to the fact that it was our first year as auditor.

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 £127,500 to £510,000 (2021: £60,000 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 £34,000 (2021: £30,000), 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 pages 1 to 59, 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 statements 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 set out on page 59, 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 to the right.

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 enquiries 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
20 March 2023

Consolidated statement of profit or loss and other comprehensive income

for the year ended 31 December 2022

	Note	2022 Underlying £m	2022 Underlying adjustments* £m	2022 Year ended 31 December £m	2021 Underlying £m	2021 Underlying adjustments £m	2021 Year ended 31 December £m
Revenue	5–6	**66.5**	**—**	**66.5**	63.9	—	63.9
Operating expenses	7–11	**(50.2)**	**(0.7)**	**(50.9)**	(49.1)	—	(49.1)
Amortisation of other intangible assets	18	**—**	**(2.0)**	**(2.0)**	—	(2.0)	(2.0)
Gain on disposal of subsidiary	20	**—**	**—**	**—**	—	4.3	4.3
(Impairment)/gain on disposal of operations	20	**—**	**(0.7)**	**(0.7)**	—	3.5	3.5
Group operating profit		**16.3**	**(3.4)**	**12.9**	14.8	5.8	20.6
Finance expense	12	**(0.4)**	**(0.1)**	**(0.5)**	(0.7)	—	(0.7)
Profit before taxation		**15.9**	**(3.5)**	**12.4**	14.1	5.8	19.9
Taxation	14	**(2.9)**	**0.6**	**(2.3)**	(3.6)	(0.7)	(4.3)
Profit for the financial year		**13.0**	**(2.9)**	**10.1**	10.5	5.1	15.6
Profit attributable to shareholders:							
Owners of the Company				**9.8**			15.4
Non-controlling interests				**0.3**			0.2
				10.1			15.6
Earnings per share – adjusted (pence)	13			**12.2p**			10.5p
Earnings per share – basic (pence)	13			**9.5p**			15.7p
Earnings per share – diluted (pence)	13			**9.4p**			15.7p

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.

* Underlying adjustments are detailed in note 7 of the financial statements.

Consolidated statement of financial position

as at 31 December 2022

	Note	31 December 2022 £m	31 December 2022 £m	31 December 2021 £m	31 December 2021 £m
Non-current assets					
Property, plant and equipment	17	**1.2**		1.3	
Lease assets	17	**2.2**		3.6	
Intangible assets and goodwill	18	**95.2**		96.6	
Trade and other receivables	21	**1.6**		2.6	
Total non-current assets			**100.2**		104.1
Current assets					
Trade and other receivables	21	**10.6**		9.8	
Current tax asset		**0.4**		—	
Cash and cash equivalents	22	**12.8**		9.4	
Total current assets			**23.8**		19.2
Total assets			**124.0**		123.3
Equity and liabilities					
Equity					
Share capital	27	**1.0**		1.0	
Share premium account	27	**66.8**		65.6	
Other reserves	29	**(51.3)**		(52.3)	
Retained earnings		**80.8**		73.9	
Equity attributable to the owners of the Company			**97.3**		88.2
Non-controlling interest			**0.5**		0.3
Total equity			**97.8**		88.5
Liabilities					
Current liabilities					
Trade and other payables	23	**18.6**		17.0	
Lease liabilities	25	**0.4**		0.4	
Current tax liabilities		**—**		2.0	
Total current liabilities			**19.0**		19.4
Non-current liabilities					
Loans and borrowings	24	**—**		6.8	
Lease liabilities	25	**1.8**		3.2	
Deferred tax liabilities	26	**5.4**		5.4	
Total non-current liabilities			**7.2**		15.4
Total liabilities			**26.2**		34.8
Total equity and liabilities			**124.0**		123.3

These financial statements were approved by the Board of Directors on 20 March 2023 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 2022

	Note	31 December 2022 £m	31 December 2022 £m	31 December 2021 £m	31 December 2021 £m
Non-current assets					
Investments	19	**124.0**		122.7	
Trade and other receivables	21	**0.4**		—	
Total non-current assets			**124.4**		122.7
Current assets					
Trade and other receivables	21	**0.1**		6.4	
Cash and cash equivalents	22	**0.1**		0.4	
Total current assets			**0.2**		6.8
Total assets			**124.6**		129.5
Equity and liabilities					
Equity attributable to the owners of the Company					
Share capital	27	**1.0**		1.0	
Share premium account	27	**66.8**		65.6	
Retained earnings		**38.3**		41.7	
Other reserves		**10.0**		9.0	
Total equity			**116.1**		117.3
Liabilities					
Current liabilities					
Trade and other payables	23	**8.5**		5.4	
Total current liabilities			**8.5**		5.4
Non-current liabilities					
Loans and borrowings	24	**—**		6.8	
Total non-current liabilities			**—**		6.8
Total liabilities			**8.5**		12.2
Total equity and liabilities			**124.6**		129.5

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 £0.5m (2021: loss of £11.6m).

These financial statements were approved by the Board of Directors on 20 March 2023 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 2022

	Share capital £m	Share premium £m	Other reserves £m	Non-controlling interest £m	Retained earnings £m	Total equity £m
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
Balance at 1 January 2022	1.0	65.6	(52.3)	0.3	73.9	88.5
Total comprehensive income for the year						
Profit for the year	—	—	—	0.3	9.8	10.1
Total comprehensive income for the year	—	—	—	0.3	9.8	10.1
Transactions with owners, recorded directly in equity						
Issue of shares	—	1.2	—	—	—	1.2
Dividends	—	—	—	(0.1)	(3.2)	(3.3)
Share option charge	—	—	1.3	—	—	1.3
Release of share option reserve on exercise	—	—	(0.3)	—	0.3	—
Total contributions by and distributions to owners	—	1.2	1.0	(0.1)	(2.9)	(0.8)
Balance at 31 December 2022	**1.0**	**66.8**	**(51.3)**	**0.5**	**80.8**	**97.8**

The accompanying notes form part of the financial statements.

Company statement of changes in equity

for the year ended 31 December 2022

	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Total equity £m
Balance at 1 January 2021	1.0	64.8	9.2	55.7	130.7
Total comprehensive loss for the year					
Loss for the year	—	—	—	(11.6)	(11.6)
Total comprehensive loss 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
Balance at 1 January 2022	1.0	65.6	9.0	41.7	117.3
Total comprehensive loss for the year					
Loss for the year	—	—	—	(0.5)	(0.5)
Total comprehensive loss for the year	—	—	—	(0.5)	(0.5)
Transactions with owners, recorded directly in equity					
Issue of shares	—	1.2	—	—	1.2
Dividends	—	—	—	(3.2)	(3.2)
Share option charge	—	—	1.3	—	1.3
Release of share option reserve upon exercise	—	—	(0.3)	0.3	—
Total contributions by and distributions to owners	—	1.2	1.0	(2.9)	(0.7)
Balance at 31 December 2022	**1.0**	**66.8**	**10.0**	**38.3**	**116.1**

The accompanying notes form part of the financial statements.

Consolidated statement of cash flows

for the year ended 31 December 2022

	Note	**Year ended 31 December 2022 £m**	Year ended 31 December 2021 £m
Net cash generated from operating activities	30	**15.6**	17.1
Cash flows from investing activities			
Purchase of property, plant and equipment		**(0.2)**	(0.2)
Development expenditure		**(1.7)**	(1.6)
Net proceeds from sale of subsidiary		**—**	8.7
Net proceeds from sale of operations		**—**	2.4
Net cash flows (used in)/from investing activities		**(1.9)**	9.3
Cash flows from financing activities			
Finance costs		**(0.2)**	(0.5)
Loan repayments made		**(7.0)**	(23.0)
Transaction costs related to borrowing		**(0.5)**	—
Payment of lease liability		**(0.5)**	(0.8)
Issue of share capital		**1.2**	0.8
Dividends paid		**(3.3)**	(3.8)
Net cash flows used in financing activities		**(10.3)**	(27.3)
Net increase/(decrease) in cash and cash equivalents		**3.4**	(0.9)
Cash and cash equivalents at start of year		**9.4**	10.3
Cash and cash equivalents at end of year		**12.8**	9.4

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

In 2021, 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.

In 2021, 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.

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.

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 2022. 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, 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 30 September 2024 or 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

- Upfront configuration or customisation costs incurred in implementing 'Software-as-a-Service' arrangements

In April 2021 the IFRS Interpretations Committee published an agenda decision regarding the treatment of Configuration or Customisation Costs in a Cloud Computing Arrangement under IAS 38 – Intangible Assets. During the year ended 31 December 2022, the Group has enhanced its accounting policy in relation to upfront configuration or customisation costs incurred in implementing Software-as-a-Service (SaaS) arrangements in response to this IFRS Interpretations Committee decision. The Group did not enter into any cloud based computing arrangements in prior periods therefore there is no impact of this change in accounting policy in prior periods.

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022 (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.

The following amendments became effective as at 1 January 2022:

- Reference to the Conceptual Framework – Amendments to IFRS 3

The Group has adopted the amendments to IFRS 3 'Business Combinations' for the first time in the current year. The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 'Levies', the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Notes continued

(forming part of the financial statements)

2 Accounting policies continued

2.3 Adoption of new and revised standards continued

- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

The Group has adopted the amendments to IAS 16 'Property, Plant and Equipment' for the first time in the current year. The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 'Inventories'.

The amendments also clarify the meaning of "testing whether an asset is functioning properly". IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

The Group has adopted the amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' for the first time in the current year. The amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

- First-time Adoption of International Financial Reporting Standards – Subsidiary as a First-time Adopter – IFRS 1

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS accounting standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a).

- Financial Instruments – Fees in the "10 per cent" Test for Derecognition of Financial Liabilities – IFRS 9

The amendment clarifies that in applying the "10 per cent" test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

- Leases – IFRS 16

The amendment removes the illustration of the reimbursement of leasehold improvements.

- Agriculture – Taxation in Fair Value Measurements – IAS 41

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 'Fair Value Measurement' to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

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

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.

Notes continued

(forming part of the financial statements)

2 Accounting policies continued

2.5 Non-derivative financial instruments continued

Trade and other receivables

Trade and other receivables are initially recognised and measured at fair value. They are subsequently measured at amortised cost and are subject to impairment. 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 determine default rates, which is based on the ageing of the receivable, past experience of credit losses and forward-looking information. An allowance for a receivable's estimated lifetime expected credit losses is adjusted if there is a change to the expectation of lifetime losses.

Due to the short-term nature of trade and other receivables, carrying value is considered to approximate fair value.

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.

If a facility is modified, then it is assessed whether the modification is significant enough to constitute an extinguishment either qualitatively or quantitatively (defined as a change in the present value of cash flows, including any transaction costs paid, exceeding 10%). If a modification is considered an extinguishment of the initial loan, the new modified loan is recorded at fair value and a gain/loss is recognised immediately in the consolidated income statement for the difference between the carrying amount of the old loan and the new loan. Any costs incurred are recognised in profit or loss. Where a modification is not significant enough to be an extinguishment, the cash flows under the modified loan are re-discounted at the original effective interest rate and an immediate gain or loss is recognised accordingly in the consolidated income statement on the date of modification. Any costs incurred are recognised over the remaining period of the modified debt, within the effective interest rate.

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.

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. Intercompany balances are reviewed annually for indicators of impairment.

Investments in subsidiaries (Company only)

Investments in subsidiaries are carried at cost less impairment.

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 30 September 2024.

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 15 to 16. 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 ongoing conflict in Ukraine 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 £12.8m as at 31 December 2022 (2021: £9.4m), and net cash surplus of £12.8m (2021: £2.6m). The available balance on the revolving credit facility as at 31 December 2022 stands at £80.0m, with available undrawn funds of £80.0m. The Group reported total net assets of £97.8m as at 31 December 2022 (2021: £88.5m).

The Directors have robustly tested the going concern assumption in preparing these financial statements. The Directors' assessment takes into account the Group's strong liquidity position at 31 December 2022. The Directors 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 Directors consider the significance of the reduction in revenues required to breach covenants within the reverse stress test to be remote and remain satisfied that the going concern basis of preparation is appropriate.

The Group's revolving credit facility is due for renewal in December 2026 and the Group continues to operate comfortably within its loan covenants in all plausible downside scenarios 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. 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 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.	Invoices are raised and collected by direct debit in the month in which the licence charge relates, prorated 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.	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.	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, which 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 clients' risk profiles, which is provided via a licensed 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 there are indicators that 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 development of software (including directly attributable implementation costs) is amortised over the useful economic life of the software, between 3 and 5 years.

2.13 Impairment excluding deferred tax assets and financial assets

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. 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.

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.

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 the 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 and non-lease component on the basis of its relative standalone selling price. 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 Underlying adjustments

The Group presents underlying adjustments on the face of the consolidated income statement in respect of those items of income and expense which merit separate presentation to allow shareholders to better understand the elements of financial performance in that year facilitating comparison with prior periods and to better assess trends in financial performance.

Underlying adjustments include amortisation of other intangible assets and exceptional items which are separately disclosed by virtue of their size, incidence or nature, 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, with a corresponding credit being recognised in the Group's share-based payment reserve.

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, or 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 over the vesting period.

The Group has not entered into any share-based payment transactions which are not settled in shares.

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 2022 £m	31 December 2021 £m
Cash and cash equivalents	**12.8**	9.4
Trade and other receivables	**10.6**	12.4

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 2022 £m	31 December 2021 £m
Trade and other payables	**18.6**	17.0
Lease liabilities	**2.2**	3.6
Borrowings	**—**	6.8

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.

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.

Notes continued

(forming part of the financial statements)

3 Financial instruments and financial risk management continued

Financial risk management continued

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 with a large population of unrelated counter-parties.

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 2022					
Trade and other payables	**2.5**	**—**	**—**	**—**	**2.5**
Lease liabilities	**0.4**	**0.4**	**0.9**	**0.5**	**2.2**
Borrowings	**—**	**—**	**—**	**—**	**—**
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 criterion 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 re-sale of software licences, management has 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 directly 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 and Research CGU.

More information, including carrying values in respect of the Fintech and 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 in Defaqto Nordic of £nil (2021: <£0.1m) and sales into Asia Pacific of £nil (2021: <£0.1m).

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 2022 £m**	Year ended 31 December 2021 £m
Rendering of services	**45.4**	44.8
Commission	**11.7**	10.9
Licence income	**9.4**	8.2
Total	**66.5**	63.9

Timing of transfer of goods or services	**Year ended 31 December 2022 £m**	Year ended 31 December 2021 £m
Products and services transferred at a point in time	**26.5**	27.4
Products and services transferred over time	**40.0**	36.5
Total	**66.5**	63.9

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 £5.0m, with £2.3m expected to realise thereafter.

Notes continued

(forming part of the financial statements)

6 Segmental information

During the year, the Company was domiciled in the UK and 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 and 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 and Research segment provides proprietary advice technology for over 8,000 users; independent ratings and reviews of over 14,000 financial products and funds, licensed by over 300 brands; and research of over 43,000 financial products and funds.

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 Maker ("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 CODM, 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 and adjusted EBITDA, which are the measures used when reporting to the CODM.

The tables below present the segmental information.

Year ended 31 December 2022	Intermediary Services £m	Distribution Channels £m	Fintech and Research £m	Admin and support costs £m	Group £m
Revenue	23.5	23.1	19.9	—	66.5
Direct operating costs	(14.0)	(13.9)	(7.4)	—	(35.3)
Gross profit	9.5	9.2	12.5	—	31.2
Administrative and support costs				(11.8)	(11.8)
Adjusted EBITDA					19.4
Operating costs of an exceptional nature					(0.7)
Gain on disposal of subsidiary					—
Impairment on disposal of operations					(0.7)
Amortisation of other intangible assets					(2.0)
Amortisation of development costs and software					(1.1)
Depreciation					(0.3)
Depreciation of lease assets					(0.4)
Share option charge					(1.3)
Operating profit					12.9
Net finance costs					(0.5)
Profit before tax					12.4

Notes continued

(forming part of the financial statements)

6 Segmental information continued

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

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 by management and the CODM considers 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.

7 Operating profit

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

	Year ended 31 December 2022 £m	Year ended 31 December 2021 £m
Depreciation of tangible assets – owned	**0.3**	0.3
Depreciation of lease assets	**0.4**	0.6
Research expenditure	**0.6**	0.5

Underlying adjustments

Underlying adjustments include amortisation of other intangible assets and operating and finance costs of an exceptional nature.

	Year ended 31 December 2022 £m	Year ended 31 December 2021 £m
Exceptional costs/(income) – operating		
Gain on disposal of subsidiary	**—**	(4.3)
Impairment/(gain) on disposal of operations	**0.7**	(3.5)
Transformation	**0.5**	—
Loan refinance costs	**0.1**	—
M&A project costs	**0.1**	—
Exceptional costs – finance		
Loan refinance costs	**0.1**	—
Other underlying adjustments		
Amortisation of other intangible assets	**2.0**	2.0
Underlying adjustments – before tax	**3.5**	(5.8)

Underlying adjustments include the following:

An impairment of contingent consideration in relation to the earlier disposal of Simply Biz Investments Limited on 15th September 2021, implementation costs of our new CRM and ERP system, M&A pipeline costs, and legal and professional fees relating to the new revolving credit facility entered into during the year.

Exceptional finance costs of £0.1m comprise acceleration of unamortised arrangement fees relating to the extinguishment of the existing RCF facility.

Amortisation of other intangible assets relates to intangibles acquired on acquisition of Regulus Topco Limited, owner of Defaqto Limited, and Landmark Surveyors Limited.

The above adjustments have been excluded as they are not considered part of underlying trade.

Notes continued

(forming part of the financial statements)

8 Auditor's remuneration

	Year ended 31 December 2022 £m	Year ended 31 December 2021 £m
Audit of these financial statements	0.3	0.3
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

9 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 similarly titled performance measures in other entities.

Adjusted EBITDA is calculated as follows:

	Year ended 31 December 2022 £m	Year ended 31 December 2021 £m
Operating profit	12.9	20.6
Add back:		
Depreciation (note 17)	0.3	0.3
Depreciation of lease assets (note 17)	0.4	0.6
Amortisation of other intangible assets (note 18)	2.0	2.0
Amortisation of development costs and software (note 18)	1.1	1.5
EBITDA	**16.7**	25.0
Add back:		
Gain on disposal of subsidiary	—	(4.3)
(Gain)/impairment on disposal of operations	0.7	(3.5)
Share option charge	1.3	1.1
Operating costs of exceptional nature (note 7)	0.7	—
Adjusted EBITDA	**19.4**	18.3
Adjusted EBITDA of non-core surveying business	**0.8**	1.2
Core adjusted EBITDA	**18.6**	17.1

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.

Adjusted operating profit is calculated as follows:

	Year ended 31 December 2022 £m	Year ended 31 December 2021 £m
Operating profit	12.9	20.6
Add back:		
Gain on disposal of subsidiary	—	(4.3)
(Gain)/impairment on disposal of operations	0.7	(3.5)
Operating costs of exceptional nature (note 7)	0.7	—
Amortisation of other intangible assets (note 18)	2.0	2.0
Adjusted operating profit	**16.3**	14.8

Adjusted profit before tax is calculated as follows:

	Year ended 31 December 2022 £m	Year ended 31 December 2021 £m
Profit before tax	12.4	19.9
Add back:		
Gain on disposal of subsidiary	—	(4.3)
(Gain)/Impairment on disposal of operations	0.7	(3.5)
Operating costs of exceptional nature (note 7)	0.7	—
Finance cost of exceptional nature	0.1	—
Amortisation of other intangible assets (note 18)	2.0	2.0
Adjusted profit before tax	**15.9**	14.1

Notes continued

(forming part of the financial statements)

9 Reconciliation of GAAP to non-GAAP measures continued

Adjusted profit after tax is calculated as follows:

	Year ended 31 December 2022 £m	Year ended 31 December 2021 £m
Profit after tax	10.1	15.6
Add back:		
Gain on disposal of subsidiary, net of tax	–	(4.3)
Gain on disposal of operations, net of tax	–	(2.4)
Impairment of contingent consideration	0.7	–
Operating costs of exceptional nature (note 7), net of tax	0.5	–
Amortisation of other intangible assets (note 18), net of deferred tax	1.6	1.6
Profit attributable to non-controlling interests	(0.3)	(0.2)
Adjusted profit after tax	12.6	10.3

Free cash flow conversion is calculated as follows:

	Year ended 31 December 2022 £m	Year ended 31 December 2021 £m
Adjusted operating profit	16.3	14.8
Adjusted for:		
Depreciation of tangible assets	0.3	0.3
Depreciation of lease assets	0.4	0.6
Amortisation of development costs and software	1.1	1.5
Share option charge	1.3	1.1
Net changes in working capital	1.8	0.6
Purchase of property, plant and equipment	(0.2)	(0.2)
Development expenditure	(1.7)	(1.6)
Underlying cash flow from operations	19.3	17.1
Underlying operating cash flow conversion	118%	116%
Net interest paid	(0.2)	(0.5)
Income tax paid	(4.8)	(1.8)
Payments of lease liability	(0.5)	(0.8)
Free cash flow	13.8	14.0
Adjusted EBITDA	19.4	18.3
Free cash flow conversion	71%	77%

10 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 2022	Number of employees Year ended 31 December 2021
Directors	7	7
Operational	486	473
	493	480

The aggregate payroll costs of these persons were as follows:

	Year ended 31 December 2022 £m	Year ended 31 December 2021 £m
Wages and salaries	22.6	21.7
Social security costs	2.6	2.6
Share-based payment awards	1.3	1.1
Contributions to defined contribution plans	1.5	1.5
	28.0	26.9

Notes continued

(forming part of the financial statements)

11 Remuneration of key management personnel

Key management personnel represent those personnel who hold a statutory directorship in Fintel plc for the period. Further details are disclosed in the Directors' emoluments table on page 57 and share options and incentive schemes disclosure on page 56 which form part of these audited financial statements. Further information on the Directors' remuneration and benefits is as follows:

	Year ended 31 December 2022 £m	Year ended 31 December 2021 £m
Wages and salaries	1.7	1.2
Share-based payments	0.5	0.4
Social security costs	0.2	0.2
Pension costs	—	—
	2.4	1.8

The Group made contributions of £11k in respect of defined contribution schemes of the Directors.

12 Finance expense

	Year ended 31 December 2022 £m	Year ended 31 December 2021 £m
Interest payable on financial liabilities at amortised cost	0.3	0.6
Finance charge on lease liability	0.1	0.1
	0.4	0.7

13 Earnings per share

Basic earnings per share	Year ended 31 December 2022	Year ended 31 December 2021
Profit attributable to equity shareholders of the parent (£m)	9.8	15.4
Weighted average number of shares in issue	103,184,717	97,728,610
Basic profit per share (pence)	9.5	15.7

Diluted earnings per share	Year ended 31 December 2022	Year ended 31 December 2021
Profit attributable to equity shareholders of the parent (£m)	9.8	15.4
Weighted average number of shares in issue	103,184,717	97,728,610
Diluted weighted average number of shares and options for the year	790,867	950,770
	103,975,584	98,679,380
Diluted profit per share (pence)	9.4	15.7

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, the exercise price of 494,118 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 2022	Year ended 31 December 2021
Adjusted profit after tax (note 9) (£m)	12.6	10.3
Weighted average number of shares in issue	103,184,717	97,728,610
Adjusted earnings per share (pence)	12.2	10.5

Notes continued

(forming part of the financial statements)

14 Taxation

	Year ended 31 December 2022 £m	Year ended 31 December 2022 £m	Year ended 31 December 2021 £m	Year ended 31 December 2021 £m
Current tax				
Current tax on income for the year	**2.6**		3.8	
Adjustments in respect of prior years	**(0.3)**		(0.1)	
Total current tax		**2.3**		3.7
Deferred tax (note 26)				
Origination and reversal of timing differences	**(0.2)**		(0.5)	
Change in deferred tax rate	**(0.1)**		1.4	
Adjustments in respect of prior years	**0.3**		(0.3)	
Total deferred tax		**—**		0.6
Total tax		**2.3**		4.3

<£0.1m of tax charge (2021: £1.0m of tax credit) has been recognised directly in equity.

Reconciliation of effective tax rate

	Year ended 31 December 2022 £m	Year ended 31 December 2021 £m
Profit for the year	**10.1**	15.6
Total tax charge	**2.3**	4.3
Profit before taxation	**12.4**	19.9
Tax using the UK corporation tax rate of 19.0% (2021: 19.0%)	**2.3**	3.7
Non-deductible expenses	**0.1**	10.7
Non-taxable income	**—**	(11.1)
Research and development benefit	**(0.3)**	—
Change in deferred tax rate	**—**	1.4
Adjustments in respect of prior year	**—**	(0.4)
Adjustments for share-based payments	**0.2**	—
Total tax charge included in profit or loss	**2.3**	4.3

Changes affecting the future tax charge

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in the financial statements.

15 Dividends

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

	Year ended 31 December 2022 £m	Year ended 31 December 2021 £m
Dividend paid by the Company:		
2020 final – 2.85 pence per qualifying Ordinary Share	**—**	2.8
2021 interim – 1.00 pence per qualifying Ordinary Share	**—**	1.0
2021 final – 2.00 pence per qualifying Ordinary Share	**2.1**	—
2022 interim – 1.00 pence per qualifying Ordinary Share	**1.1**	—
	3.2	3.8

The Board is proposing a final dividend in respect of 2022 of 2.25 pence per share, payable on 19 June 2023, to shareholders on the register on 19 May 2023 with an ex-dividend date of 18 May 2023.

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 £0.5m (2021: loss of £11.6m).

Notes continued

(forming part of the financial statements)

17 Property, plant and equipment

	Leased assets			Owned assets	
Group	Property £m	Plant and equipment £m	Total £m	Office equipment £m	Total £m
Cost					
At 1 January 2021	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
Additions	—	0.1	0.1	0.2	0.3
Disposals	—	—	—	—	—
Revaluation of lease	(1.1)	—	(1.1)	—	(1.1)
At 31 December 2022	**2.9**	**1.0**	**3.9**	**2.9**	**6.8**
Depreciation and impairment					
At 1 January 2021	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
Depreciation charge for the year	0.3	0.1	0.4	0.3	0.7
Disposals	—	—	—	—	—
At 31 December 2022	**1.0**	**0.7**	**1.7**	**1.7**	**3.4**
Net book value					
At 31 December 2022	**1.9**	**0.3**	**2.2**	**1.2**	**3.4**
At 31 December 2021	3.3	0.3	3.6	1.3	4.9

Leased property includes the Group's head office for which the lease was entered into during 2020. The lease had a non-cancellable term of 10 years, and also contained an option to extend the lease for a further 5 years beyond the non-cancellable term, and an option to purchase the building exercisable until January 2023. Management originally expected to exercise the purchase option, but during 2022 reassessed the likelihood of calling in the option to buy. The purchase option has now lapsed unexercised. The lease was therefore revalued during the year which resulted in a reduction of the lease liability and right-of-use asset of £1.1m. The lease asset is being depreciated across the non-cancellable term of the lease.

Plant and equipment includes IT equipment and motor vehicles.

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 2021	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
Additions	—	—	—	—	1.7	1.7
Disposals	—	—	—	—	—	—
At 31 December 2022	**72.4**	**3.1**	**24.4**	**27.5**	**5.5**	**105.4**
Amortisation and impairment						
At 1 January 2021	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
Charge in the year	—	0.3	1.7	2.0	1.1	3.1
Disposals	—	—	—	—	—	—
At 31 December 2022	**0.2**	**1.1**	**6.6**	**7.7**	**2.3**	**10.2**
Net book value						
At 31 December 2022	**72.2**	**2.0**	**17.8**	**19.8**	**3.2**	**95.2**
At 31 December 2021	72.2	2.3	19.5	21.8	2.6	96.6

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 £3.1m 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.

Notes continued

(forming part of the financial statements)

18 Intangible assets continued

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 of goodwill associated with the subsidiary.

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

	31 December 2022 £m	31 December 2021 £m
Intermediary Services	**12.7**	12.7
Distribution Channels	**11.5**	11.5
Fintech and Research	**48.0**	48.0
	72.2	72.2

Goodwill is determined to have an indefinite useful economic life. The Group has determined that each segment is a cash-generating unit ("CGU") as this is the lowest aggregation of assets that generate largely independent cash inflows.

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 15.2% to 16.0%; 2021: range of 12.8% to 13.7%), annual adjusted EBITDA growth rate (range of 4.0% to 8.0%; 2021: 6.0% to 11%) and the terminal growth rate 2.0% (2021: 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 upon 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 conclude 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 2022	122.7	122.7
Additions	1.3	1.3
At 31 December 2022	**124.0**	**124.0**
Provisions		
At 1 January 2022 and 31 December 2022	—	—
Net book value		
At 31 December 2022	**124.0**	**124.0**
At 31 December 2021	122.7	122.7

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 with those applied over goodwill in note 18.

The additions include £1.3m (2021: £1.1m) relating to share option charges in the subsidiary companies, which will be settled through equity in Fintel plc.

Notes continued

(forming part of the financial statements)

19 Fixed asset investments continued

Subsidiary undertakings	Country of incorporation	Principal activity	Class and percentage of shares held Group	Company
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 2021)	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	Dissolved	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	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*	UK	Asset management vehicle	Ordinary 100%	–
Landmark Surveyors Limited	UK	Dormant	Ordinary 100%	–
Fintel Labs Limited	UK	Investment holding company	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	Information technology service	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.

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 and Defaqtomedia Limited – 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 2022	Comparison Creator £m
NCI percentage	**35%**
Non-current assets	—
Current assets	2.6
Non-current liabilities	—
Current liabilities	(1.0)
Net assets	**1.6**
Net assets attributable to NCI	0.6
Revenue	2.0
Profit after tax	1.0
Total comprehensive income	0.8
Profit allocated to NCI	0.3

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 £0.1m (2021: £0.2m).

The Group also had an NCI in Defaqto Nordic AS, which has dissolved and as such was allocated to NCI of £nil (2021: £0.1m) for the year.

20 Disposals

There were no disposals made in 2022.

On 21 July 2021, the Group disposed of 100% of the share capital of Zest Technology Limited ("Zest"), a 100% owned operations 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. There has been no change in the assessment of fair value therefore no gain or loss has been recognised in 2022 in respect of this.

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 of operations	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 as at 31 December 2021 after valuing the contingent consideration at £2.6m, 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 assets under management ("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 four years.

Management has revalued the contingent consideration at the reporting date based on updated information on the funds post sale. The funds have seen a significant redemption of units since the sale in September 2021 which has resulted in an impairment of £0.7m in 2022. This amount has been recorded as a non-underlying impairment on disposal of operation, consistent with the treatment of the gain on disposal in prior year. The value of the contingent consideration at the reporting date is £1.9m. Contingent consideration is recognised within current and non-current receivables, £0.7m and £1.2m respectively.

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 2022, are shown below:

Valuation technique	Significant unobservable inputs	Range	Sensitivity of inputs to fair value
Forward pricing model	Discount for counterparty credit risk	2022: 4.0%-5.5% (5%) 2021: 4.0%–5.5% (5%)	A 0.5% increase results in a decrease in fair value of £17k
Forward pricing model	Assumed annual fund net inflows/outflows	2022: -£58.8m per year 2021: +£10.4m per year	A 10% increase in annual net outflow has a £73k decrease on fair value

21 Trade and other receivables

	Group 31 December 2022 £m	Company 31 December 2022 £m	Group 31 December 2021 £m	Company 31 December 2021 £m
Current assets				
Trade receivables	6.9	–	7.4	–
Provision against receivables	(0.3)	–	(0.5)	–
	6.6	–	6.9	–
Amounts owed to Group undertakings	–	–	–	6.4
Other receivables	1.8	–	0.4	–
Prepayments	0.9	0.1	1.1	–
Accrued income	1.3	–	1.4	–
	10.6	0.1	9.8	6.4
Non-current assets				
Other receivables	1.2	–	2.6	–
Prepayments	0.4	0.4	–	–
	1.6	0.4	2.6	–

The Directors consider that the carrying amount (after impairment) approximates to the fair value.

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.

Notes continued

(forming part of the financial statements)

21 Trade and other receivables continued

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 Company applies the general approach under IFRS 9 in calculating ECLs in respect of amounts owed by the 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 Company has not identified a material risk of default in respect of these receivables, and therefore, has not recognised an ECL provision.

Non-current other receivables relate to contingent consideration owing from the strategic disposal of operations. Refer to note 20 for further details.

Non-current prepayments represent the unamortised loan arrangement fees associated with the undrawn revolving credit facility.

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 2022 £m	Group 31 December 2021 £m
31–60 days	1.3	0.6
61–90 days	0.3	0.2
Over 90 days	0.6	1.2
	2.2	2.0

The table above represents ageing of past due trade receivables.

For trade receivables and contract assets, the Group and Company apply a simplified approach in calculating ECLs.

Movement in the provision for trade receivables was as follows:

	Group 31 December 2022 £m	Group 31 December 2021 £m
Balance at beginning of year	0.5	0.6
Increase for trade receivables regarded as potentially uncollectable	0.2	0.5
Decrease in provision – trade receivables recovered, or written off, during the year	(0.4)	(0.1)
Decrease in provision – entity disposed during the year	—	(0.5)
	0.3	0.5

22 Cash and cash equivalents

	Group 31 December 2022 £m	Company 31 December 2022 £m	Group 31 December 2021 £m	Company 31 December 2021 £m
Cash and cash equivalents	12.8	0.1	9.4	0.4

Cash and cash equivalents comprise cash at bank and cash in hand.

23 Trade and other payables

	Group 31 December 2022 £m	Company 31 December 2022 £m	Group 31 December 2021 £m	Company 31 December 2021 £m
Current liabilities				
Trade payables	1.8	—	1.3	—
Amounts owed to Group undertakings	—	8.5	—	5.3
Other tax and social security	2.0	—	2.5	—
Other payables	0.7	—	0.6	—
Deferred income	8.1	—	8.1	—
Accruals	6.0	—	4.5	0.1
	18.6	8.5	17.0	5.4

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 and Research products. The deferred income will be recognised over the course of the following year.

Notes continued

(forming part of the financial statements)

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 2022 £m	**Company 31 December 2022 £m**	Group 31 December 2021 £m	Company 31 December 2021 £m
Current				
Secured bank loan	**–**	**–**	–	–
Lease liability	**0.4**	**–**	0.4	–
	0.4	**–**	0.4	–
Non-current				
Secured bank loan	**–**	**–**	6.8	6.8
Lease liability	**1.8**	**–**	3.2	–
	1.8	**–**	10.0	6.8

Changes in liabilities from financing activities:

	Loans and borrowings £m	Lease liability £m
Balance at 1 January 2021	29.7	5.1
Cash flows	(23.5)	(0.8)
New leases	–	0.3
Disposed leases	–	(1.1)
Other non-cash changes	0.6	0.1
Balance at 31 December 2021	6.8	3.6
Cash flows	(7.1)	(0.5)
New leases	–	0.1
Revalued leases	–	(1.1)
Other non-cash changes	0.3	0.1
Balance at 31 December 2022	**–**	**2.2**

Cash flows on bank loans include £7.0m net borrowings repaid (2021: £23.0m) and interest payments made of £0.1m (2021: £0.5m). Cash flows from lease liabilities include £0.5m of lease payments (2021: £1.0m).

Other non-cash changes on bank loans include interest charges of £0.3m (2021: £0.6m). Other non-cash changes on lease liabilities include interest charges of £0.1m (2021: £0.1m).

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 2022 £m	Group 31 December 2021 £m
Current	**0.4**	0.4
Non-current	**1.8**	3.2
	2.2	3.6

During 2020, the Group entered into a significant lease contract for its head office. The lease had a non-cancellable term of 10 years, and also contained an option to extend the lease for a further 5 years beyond the non-cancellable term, and an option to purchase the building exercisable until January 2023.

Management originally expected to exercise the purchase option, but during 2022 reassessed the likelihood of calling in the option to buy. The purchase option has now lapsed unexercised. The lease was therefore revalued during the year which resulted in a reduction of the lease liability of £1.1m.

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 2022 £m	31 December 2021 £m
Interest on lease liabilities	**0.1**	0.1
Expense relating to short-term leases	**–**	0.1
Depreciation of lease asset	**0.4**	0.6

No short-term or low value leases existed during 2022 or as at 31 December 2022.

Notes continued

(forming part of the financial statements)

26 Deferred taxation

	Group 31 December 2022 £m	Company 31 December 2022 £m	Group 31 December 2021 £m	Company 31 December 2021 £m
Deferred taxation				
Balance at the beginning of the year	**(5.4)**	**–**	(5.1)	–
Disposal of subsidiary	**–**	**–**	0.3	–
Recognised in profit or loss	**–**	**–**	(0.6)	–
Balance at the end of the year	**(5.4)**	**–**	(5.4)	–

	Short-term timing differences £m	Accelerated capital allowances £m	Other timing differences £m	Total £m
Balance at 1 January 2022	(5.3)	(0.1)	–	(5.4)
Disposals	–	–	–	–
Charge to profit or loss	–	–	–	–
Balance at 31 December 2022	**(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 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)

Deferred tax assets and liabilities are attributable to the following:

Group	Assets 31 December 2022 £m	Liabilities 31 December 2022 £m	Net 31 December 2022 £m	Assets 31 December 2021 £m	Liabilities 31 December 2021 £m	Net 31 December 2021 £m
Short-term timing differences	**0.3**	**(5.6)**	**(5.3)**	0.3	(5.6)	(5.3)
Accelerated capital allowances	**0.1**	**(0.2)**	**(0.1)**	0.1	(0.2)	(0.1)
Net tax assets/(liabilities)	**0.4**	**(5.8)**	**(5.4)**	0.4	(5.8)	(5.4)

The Company has a deferred tax liability of £13,000 (2021: £18,000) in relation to short-term timing differences.

Tax losses of £16,000 (2021: £0.1m) have been recognised in a specific subsidiary on the basis of expected future profits. The Group has £nil (2021: £1.0m) 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 £4.9m (2021: £5.3m) of short-term timing differences on the other intangible assets arising from the Defaqto acquisition.

27 Capital and reserves

Share capital

	Ordinary Shares
Number of fully paid shares (nominal value £0.01):	
At 1 January 2021	96,806,612
Issue of share capital	6,072,218
At 31 December 2021	102,878,830
Issue of share capital	770,115
At 31 December 2022	**103,648,945**

In 2022, the Company issued 494,118 new Ordinary Shares of 1 pence each in the Company to satisfy certain share entitlements of members who had elected to exercise their options pursuant to the Members Share Option Plan ("MSOP"). The remaining 275,997 shares were issued during the year to the open share option schemes detailed in note 28.

In 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 an 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 2021	64.8
Issue of share capital	0.8
At 31 December 2021	65.6
Issue of share capital	1.2
At 31 December 2022	**66.8**

Notes continued

(forming part of the financial statements)

28 Share-based payment arrangements

At 31 December 2022, 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 2022, no awards (2021: no awards) 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

In 2021, 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 since this scheme was fully settled and closed in the prior year.

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 2022, 16,378 (2021: 4,397) shares have been forfeited as a result of bad leavers. The scheme has now vested and settled in full in the prior year.

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

Notes continued

(forming part of the financial statements)

28 Share-based payment arrangements continued

Issued in 2019 continued

Company Share Option Plan ("CSOP") continued

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.

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.

During 2022, 17,547 (2021: 28,027) shares 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 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%

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

The scheme has been accounted for as an equity-settled scheme in line with the Group's expectation of final settlement. The Group has a past practice of settling similar schemes as via equity.

Notes continued

(forming part of the financial statements)

28 Share-based payment arrangements continued

Issued in 2021 continued

Save As You Earn ("SAYE") scheme

On 1 July 2021, 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.

During 2022, 69,838 (2021: 28,027) shares have been forfeited as a result of bad leavers. An assumed retention rate of 75% (2021: 75%) has been applied at 31 December 2022 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 2022	**Weighted average exercise price 31 December 2022 £**	Number of options 31 December 2021	Weighted average exercise price 31 December 2021 £
Outstanding at 1 January	**1,112,782**	**1.27**	1,495,431	0.98
Forfeited during the year	**(103,763)**	**0.33**	(63,979)	1.65
Exercised during the year	**(277,968)**	**0.42**	(612,032)	0.77
Granted during the year	**—**	**—**	293,362	1.76
Outstanding at 31 December	**731,051**	**1.16**	1,112,782	1.27
Exercisable at 31 December	**528,688**	**1.11**	524,745	0.81

The options outstanding at 31 December 2022 had an exercise price in the range of £0.01 to £1.93 (2021: £0.01 to £1.93) and a weighted average contractual life of 2 years (2021: 2.1 years).

Notes continued

(forming part of the financial statements)

29 Other reserves

Group	Merger reserve £m	Share option reserve £m	Total £m
At 1 January 2021	(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)
Share option charge	—	1.3	1.3
Release of share option reserve	—	(0.3)	(0.3)
Tax on share options exceeding profit or loss charge	—	—	—
At 31 December 2022	**(53.9)**	**2.6**	**(51.3)**

Company	Merger reserve £m	Share option reserve £m	Total £m
At 1 January 2021	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
Share option charge	—	1.3	1.3
Release of share option reserve	—	(0.3)	(0.3)
At 31 December 2022	**7.5**	**2.5**	**10.0**

The merger reserve for the Group totalling £53.9m relates to the Group reorganisation which occurred in 2015. The reserve created £61.4m, which was then reduced by £7.5m in 2019 in relation to shares issued as part consideration for the acquisition of Defaqto.

The merger reserve for the Company is made up of £7.5m which relates to shares issued as part consideration for the acquisition of Defaqto.

30 Notes to the cash flow statement

	Year ended 31 December 2022 £m	Year ended 31 December 2021 £m
Cash flow from operating activities		
Profit after taxation	**10.1**	15.6
Add back:		
Finance income	**—**	—
Finance cost	**0.4**	0.7
Taxation	**2.3**	4.3
	12.8	20.6
Adjustments for:		
Amortisation of development expenditure and software (note 18)	**1.1**	1.5
Depreciation of lease asset	**0.4**	0.6
Depreciation of property, plant and equipment	**0.3**	0.3
Amortisation of other intangible assets	**2.0**	2.0
Share option charge	**1.3**	1.1
Profit on sale of subsidiary	**—**	(4.3)
Loss/(profit) on sale of operations*	**0.7**	(3.5)
Operating cash flow before movements in working capital	**18.6**	18.3
Decrease/(increase) in receivables	**0.1**	(0.6)
Increase in trade and other payables	**1.7**	1.2
Cash generated from operations	**20.4**	18.9
Income taxes paid	**(4.8)**	(1.8)
Net cash generated from operating activities	**15.6**	17.1

* Refer to note 20 for details of prior year divestment and contingent consideration revaluation.

31 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 2022 amounted to £nil (2021: £7.0m).

32 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 £0.2m (2021: £0.1m) were outstanding.

Notes continued

(forming part of the financial statements)

33 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 £1,496 (2021: £760) by the Group for property costs and other services during the year. Amounts owed at the year end totalled £nil (2021: £nil).

Portus Felix Limited (a company in which Ken Davy is a connected party): Portus Felix Limited was paid £220,200 (2021: £251,000) by the Group for property costs and other services during the year. Amounts owed at the year end totalled £nil (2021: £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 £nil (2021: £7,680) 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 (2021: £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 (2021: £nil). The balance at the end of the year held in debtors was £nil (2021: £nil). Sandringham Financial Partners Limited is also a member of the Group's Mortgage Club, in which the Group earned total commission revenues of £64,400 (2021: £66,000). These transactions were conducted on an arm's length basis.

In September 2021 Matt Timmins engaged Gateway Surveyors for structural surveying services totalling £810. This was an arm's length transaction, and the invoice was settled in full.

During the year, Huddersfield Giants Limited (a company in which Ken Davy is a Director) was paid £1,980 (2021: £nil) by the Group for corporate hospitality. Amounts owed at the year end totalled £nil (2021: £nil).

During the year the Group paid Sarah Turvey who is the daughter of Ken Davy and former Chief Operating Officer, £5,000 (2021: £5,000) in relation to the hire of storage space. Amounts owed at the year end totalled £nil (2021: £nil).

Dividends to Directors

	Group 31 December 2022 £m	Group 31 December 2021 £m
Ken Davy	**0.8**	1.2
Matt Timmins	**0.1**	0.1
Neil Stevens	**0.1**	0.1
	1.0	1.4

34 Client monies

As at 31 December 2022, monies held by subsidiaries in separate bank accounts on behalf of clients amounted to £25.3m (2021: £21.7m). Neither this amount nor the matching liabilities to the clients concerned are included in the Group balance sheet.

35 Ultimate controlling party

The Directors believe that there is no ultimate controlling party of the Group.

36 Subsequent events

On 8 March 2023, Fintel Labs Limited acquired a non-controlling interest in a financial technology business, acquiring 25% of Ordinary Shares in exchange for £1.0m consideration. The acquisition forms part of our strategy to foster innovation in the sector by supporting emerging businesses.

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 (Non-Independent 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)
Phil Smith (Independent Non-Executive Director)

Registered Office:

Fintel plc
Fintel House
St Andrew's Road
Huddersfield
HD1 6NA

10 March 2023

To the holders of Ordinary Shares

Dear shareholder

2023 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 ("AGM") of Fintel plc (the "Company") which will be held at Fintel House, St Andrew's Road, Huddersfield, HD1 6NA, on 18 May 2023 at 10:00am (UK time).

A copy of the 2022 annual report and accounts is enclosed. This contains the financial statements for the year ended 31 December 2022. 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 101 to 103 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 105 to 107. Details of the arrangements for the AGM are set out on pages 104 and 105.

I, and my fellow Directors, look forward to meeting shareholders in person once more and welcoming 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 fintel@almondco.uk. To view a copy of any of the following documents prior to the meeting please email the Company Secretary at fintel@almondco.uk:

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 10:00am on 16 May 2023. 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
Non-Independent Chair

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 18 May 2023 at 10:00am at Fintel House, St Andrew's Road, Huddersfield, HD1 6NA, for the transaction of the following business:

ORDINARY BUSINESS

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

Financial statements 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 2022.

Final dividend

2 To declare a final dividend upon the recommendation of the Directors for the year ended 31 December 2022 of 2.25 pence per Ordinary Share payable on 19 June 2023 to shareholders on the register at the close of business on 19 May 2023, with an ex-dividend date of 18 May 2023.

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.

9 To elect Phil Smith as a Director of the Company.

Auditor's appointment and remuneration

10 To re-appoint Ernst & Young LLP ("EY") as auditor 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.

11 To authorise the Directors to fix the remuneration of the auditor of the Company.

SPECIAL BUSINESS

Authority to allot shares

12 To consider and, if thought fit, pass the following resolution as an ordinary resolution:

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 £691,262.61 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; and

12.2 otherwise than pursuant to paragraph 12.1 above up to an aggregate nominal amount of £345,631.31 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 BUSINESS continued

Disapplication of pre-emption rights

13 To consider and, if thought fit, pass the following resolution as a special resolution:

That if resolution 13 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; and

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 £51,844.70,

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 To consider and, if thought fit, pass the following resolution as a special resolution:

That if resolution 14 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 £51,844.70; 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.

Notice of annual general meeting continued

SPECIAL BUSINESS continued

Purchase of own shares

15 To consider and, if thought fit, pass the following resolution as a special resolution:

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:

15.1 the maximum aggregate number of Ordinary Shares that may be purchased is £103,689.39, representing approximately 10% of the Company's issued Ordinary Share capital (excluding treasury shares) as at 21 March 2023 (the latest practicable date prior to publication of this notice);

15.2 the minimum price (excluding expenses) that may be paid for each Ordinary Share is £0.01;

15.3 the maximum price (excluding expenses) that may be paid for each Ordinary Share is the higher of:

15.3.1 105% 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; and

15.3.2 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;

15.4 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

15.5 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

16 To consider and, if thought fit, pass the following resolution as a special resolution:

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

Almond CS Limited
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 shareholderenquiries@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, 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) 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 10:00am on 16 May 2023.

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.

Unless otherwise indicated on the Form of Proxy, CREST, Proxymity or any other electronic voting instruction, the proxy will vote as they think fit or, at their discretion or withhold from voting.

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 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 procure 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 at close of business on 16 May 2023, 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 fintel@almondco.uk.

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.

Notice of annual general meeting continued

IMPORTANT INFORMATION: continued

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/.

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 fintel@almondco.uk in advance of the meeting.

9 As at 9 March 2023, being the last business day prior to publication of this AGM notice, the Company's issued share capital comprised 103,689,392 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 9 March 2023 is 103,689,392.

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 18 May 2023 at 10:00am 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 auditor and the audited accounts of the Company for the year ended 31 December 2022.

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 2.25 pence per Ordinary Share, payable to shareholders on the register at the close of business on 19 May 2023, with an ex-dividend date of 18 May 2023. If approved, the final dividend will be paid on 19 June 2023.

Resolutions 3 to 9 – 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, and Phil Smith is being put forward for election pursuant to his appointment to the Board on 3 May 2022. 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 Chair 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 its assessment that Imogen Joss, Senior Independent Non-Executive Director, Tim Clarke, Non-Executive Director, and Phil Smith, Non-Executive Director, remain independent.

A biography of each Director appears on pages 42 and 43 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 10 – Appointment of auditor

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 auditor of the Company terminated in January 2022 following its 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 Company's auditor.

Resolution 11 – Authorising and fixing the remuneration of the auditor

It is normal practice for shareholders to resolve at the annual general meeting that the Directors decide on the level of remuneration of the auditor for the audit work to be carried out by it in the next financial year. The amount of the remuneration paid to the auditor for the next financial year will be disclosed in the next audited accounts of the Company.

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 £691,262.61, representing the IA guideline limit of approximately 66% of the Company's issued Ordinary Share capital as at 9 March 2023 (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 £345,631.31, 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 £345,631.31, representing approximately one-third of the Company's existing issued share capital. As resolution 13.2 imposes no restrictions on the way the authority may be exercised, it could be used in conjunction with resolution 13.1 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 16 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, and Resolution 14 – Additional disapplication of pre-emption rights for acquisitions

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 £51,844.70 (which would equate to 5,184,497 Ordinary Shares of £0.01 each), representing approximately 5% of the Company's issued share capital as at 9 March 2023, 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 £51,844.70 (which would equate to 5,184,497 Ordinary Shares of £0.01 each), representing approximately 5% of the Company's issued share capital as at 9 March 2023, being the latest practicable date prior to the publication of this AGM notice.

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 13 (Disapplication of pre-emption rights) and 14 (Additional disapplication of pre-emption rights – acquisitions), although they consider their renewal appropriate in order to retain maximum flexibility to take advantage of business opportunities as they arise.

Resolution 15 – 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 £103,689.39 of its Ordinary Shares in aggregate, representing approximately 10% of the Company's issued Ordinary Share capital (excluding treasury shares) as at 9 March 2023, 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 16 – 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 16 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 2023	To be published July 2023
Interim results for 6 months ending 30 June 2023	To be published September 2023
Full year results for 12 months ending 31 December 2023	To be published March 2024
Annual report publication	To be published April 2024

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