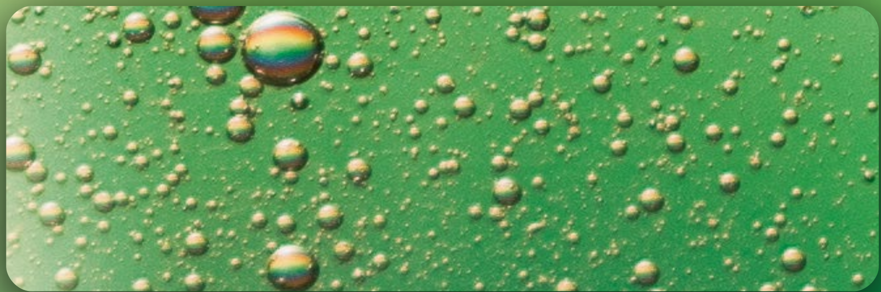
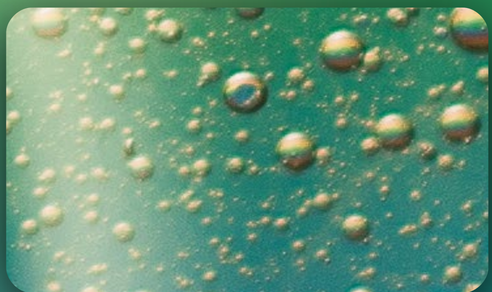
FINTEL
INSPIRING BETTER OUTCOMES



INSPIRING BETTER OUTCOMES



Fintel plc
Annual report and accounts 2023

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

Operational highlights

- Sustained growth across core activities:
  - Growth in SaaS and Subscription revenue
  - Strong growth in fintech software and Distribution as a Service ("DaaS") revenue
- Increased organic investment into technology and service platform:
  - Enhanced Consumer Duty support and technology package
  - Expanded proprietary financial planning, and competitor and market intelligence software
  - Extended ratings and reviews portfolio
  - Deepened partner portal insights and scaled DaaS and Strategic Asset Allocation offering
- M&A investment to increase our scale, IP and capabilities, capitalising on favourable market conditions

Financial highlights

- Resilient performance, with full year results in line with expectations
- Adjusted EBITDA growth of 5.6% to £20.5m (FY22: £19.4m)
- Core adjusted EBITDA growth of 8.7% to £20.2m (FY22: £18.6m), in a period of continued investment in our core products and services
- Statutory EBITDA of £14.7m (FY22 : £16.7m) reflects investment in M&A and organic development
- Strong balance sheet with £12.7m of cash, and £69m of headroom in £80m revolving credit facility
- Net cash position of £1.7m (FY22: £12.8m), having invested significantly in four acquisitions in 2023
- Core revenue increased to £56.6m (FY22: £56.4m), slightly ahead of the same period last year and up c.0.3%
- Resilient statutory revenue of £64.9m (FY22: £66.5m)

Core revenue* (£m)

£56.6m +0.3%

2023	56.6
2022	56.4
2021	52.2
2020	49.9

Statutory revenue (£m)

£64.9m -2.4%

2023	64.9
2022	66.5
2021	63.9
2020	61.0

Dividend (pence per share)

3.45p +6.2%

2023	3.45
2022	3.25
2021	3.00
2020	2.85

Core adjusted EBITDA**(£m)

£20.2m +8.7%

2023	20.2
2022	18.6
2021	17.1
2020	15.6

Statutory EBITDA*** (£m)

£14.5m -13.5%

2023	14.5
2022	16.7
2021	25.0
2020	15.6

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

Alternative performance measures

* Core business excludes revenues from panel management and surveying services.

** 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 89, to the financial statements.

*** Statutory EBITDA in 2021 includes non-underlying income of £7.8m. Statutory EBITDA in 2022 includes non-underlying costs of £1.4m. Statutory EBITDA in 2023 includes non-underlying costs of £4.6m.

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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 pages 7 to 10

Enabling services

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

→ Our business model on page 12

Structural drivers

- Growth in demand for data and insights due to regulatory pressures
- Need for flexible, integrated technology
- Rising tide of regulation and compliance
- Product value as important as price

→ Our markets on page 11

Underpinned by our ESG pillars

- Better business
- Better industry
- Better future

→ Our approach to ESG on pages 23 to 36

* 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

What we do

We connect product providers, intermediaries and consumers through technology, expertise and insight.

Resilient, high quality revenue streams

Intermediary Services*

£22.4m (34.5%)

- Membership services
- Additional services
- Software licence income

Distribution Channels

£20.2m (31.2%)

- Marketing services revenues
- Distribution as a Service (“DaaS”)*
- Commission revenues
- Valuation services**

Fintech and Research

£22.3m (34.3%)

- Fintech software solutions*
- Research – risk mappings, fund* reviews and rating services

See note 2 on pages 77 to 84 for more details on our revenue streams.

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

Who we serve	**Product providers** 2 3	**Intermediaries** 1 3	**Consumers** 3
The value we add	Providing insights, solutions, support and access to intermediaries	Providing regulatory expertise, business support and financial technology	Providing financial product information, ratings and reviews
How we do it	Market insight and analysis Product design and compliance Targeted distribution	Product research and comparison Financial planning and advice technology Integrated workflows	Product ratings Product comparison Product education
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

Key: Relevant divisions per audience 1 Intermediary Services 2 Distribution Channels 3 Fintech and Research

At a glance continued

Our leading brands

We help create outcomes that leave everyone better off. It's our defining purpose as a business, shared across our family of brands.

defaqto

The UK's most trusted financial information, ratings and fintech business, supporting financial institutions, intermediaries and consumers to make smarter financial decisions.

Fintech and Research

52m
consumer financial decisions supported by Defaqto Star Ratings

98%
finance professional brand 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.

Intermediary Services

>£100bn
AUM managed by SimplyBiz members (est.)

8.6 years
average intermediary member tenure

>30%
of directly authorised retail investment and mortgage firms are SimplyBiz members

Distribution Channels

£23bn
of mortgage lending was arranged through our intermediary members

74%
of our distribution partnerships revenue is based on long term agreements

>18,500
attendees at the industry's largest hybrid event programme

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.

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.

Enabling the market

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

Investment case

Long-term sustainable growth

Organic growth with M&A opportunity to consolidate UK fintech

Combining quality, recurring revenue streams with a market leading position, Fintel has significant opportunities for both organic and acquisitive growth.

With a strategic focus on building a complete fintech and services platform, the business continues to generate high quality earnings, driving further shareholder value through investment in its service and technology platform and continued realisation of its active M&A pipeline.

Diverse, repeat customer base

Supporting thousands of financial intermediaries and hundreds of product providers, and reaching millions of consumers, Fintel serves all segments of the retail financial services market.

8.6 years

average intermediary member tenure

Quality, recurring revenues

Fintel has a robust and resilient operating model, underpinned by diversified and predictable revenue streams, which deliver long-term, sustainable value to its shareholders.

66.4%

SaaS and subscription recurring core revenue

Unrivalled market position

Fintel's portfolio of leading brands, coupled with its extensive reach, provides a distinctive competitive edge, enabling the business to connect the industry and drive innovation across the market.

>30%

of directly authorised retail investment and mortgage firms are SimplyBiz members

Scalable platform, supported by structural market drivers

Blending regulatory expertise, insights and fintech, Fintel's service and technology platform is underpinned by positive market dynamics.

>£43bn

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

→ Read more about Fintel's markets on **pages 11**

Significant acquisitive growth opportunity

Consolidating a fragmented market, Fintel combines fintech and other complementary firms to streamline the market. With a strong balance sheet, and significant credit facility, the Company continues to focus on its active M&A pipeline.

£12.7m

of cash, and £69m of headroom in our £80m revolving credit facility

→ Read more about acquisitions on **pages 18 and 19**

Cash-generative business model

Fintel's cash-generative business model ensures robust liquidity, providing a stable foundation for ongoing investment and operational agility.

88%

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.

Inspiring better outcomes in the sector

Fintel is committed to driving positive change in its business, industry and wider communities and creating sustainable value for or all of its stakeholders.

52m

consumer financial decisions supported by Defaqto Star Ratings

→ Read more about Fintel's approach to ESG on **pages 23 to 36**

Chair's statement

Inspiring better outcomes across retail financial services

Phil Smith
Non-Executive Chair

I am delighted to present our annual report and accounts as Chair of Fintel, a leading fintech and support services business to the financial services sector.

We continue to operate at the very heart of the UK retail financial services sector, creating better outcomes for consumers, our institutional partners, and independent financial advisers.

Year in review

2023 was a year of material global socio-economic uncertainty and significant change within the UK advice market. In addition, the landmark Consumer Duty regulation was introduced by the FCA, and the impact of technology, data and automated processes on the financial services market intensified.

Despite these external changes, Fintel once again demonstrated its agility with a positive step change of our own, accelerating our strategic momentum and risk mitigation.

The advice market is the centrepin of our commercial position, economic strength, and forward strategy. 2023 was a period of tumultuous change for advisers, with material volatility across the financial needs of their clients, the adoption of Consumer Duty, ongoing market consolidation, and an accelerating race to respond to the digital future of efficient advice provision in the UK.

We enhanced our Intermediary Services support model, technology suite, and product research offering, retaining our position as the leading provider to the directly authorised intermediary market. As a result, we further deepened our key relationships, as we deliver aligned capabilities that will strengthen our members' market position, as well as our own.

Our institutional clients in the product provider market have worked with us extensively to enhance their own ability to demonstrate the quality of their products and services to the market, and to optimise their own distribution strategies. This has led to further solid growth in our Distribution as a Service ("DaaS") proposition, and significantly deeper relationships.

Following the 2023 launch of Fintel Labs, a venture designed to strengthen our technology proposition and foster innovation in the sector, we invested in and supported an innovative technology business, customer relationship management ("CRM") entrant Plannr. CRM is mission critical to the technologies deployed by our client base, and our early-stage investment in and collaboration with Plannr will provide us with the leading strategic CRM platform for small to medium-sized intermediary firms long into the future. Alongside this, we renewed our strategic partnership with Intelligent Office, the leading medium to large-sized adviser CRM platform in the UK, with a revised five-year partnership agreement. This new agreement gave rise to a material change in how we account for the business between us, reducing our reportable run-rate revenues, whilst significantly increasing our reportable profit margin from these activities.

Coming into 2023 we were acutely aware that asset prices across global financial technology, research and services had dropped significantly, as the increasing cost of capital directly impacted private equity investment and those incumbents backed by it, whilst trading uncertainties dampened the inorganic ambitions of the larger institutions in the market.

Fintel has strategically mapped acquisition targets within adjacent markets since its highly successful acquisition of Defaqto in 2019, but we paused activity in the run-up to 2023, as asset prices were prohibitive to shareholder value creation. That changed significantly in 2023, when the fiscal capacity and deal foundations we created over recent years combined with attractive asset prices, enabled us to participate tactically in the M&A market. We have done so with great success, without equity dilution to our shareholders, and at an efficient cost of capital through the use of our own liquidity and favourable debt conditions, whilst retaining a positive net cash position at the year end.

Our acquisition strategy is clear. We look for technology and data-led businesses which offer cultural alignment, a strong forward growth profile and, most crucially, a clear place in the service needs of our client base.

Financially, the business has delivered consistently throughout 2023, demonstrating the largely recurring nature of its growing revenue streams and its ability to control operating costs, and invest significantly in its future. 2023 has demonstrated that Fintel is a highly resilient, predictable growth engine that operates uniquely in a growing market sector.

As a purpose-led organisation, we continue to strengthen our environmental, social and governance ("ESG") commitments, aligning to key external reporting standards and expanding our internal KPIs as we embed ESG principles across our operations. With a focus on long-term sustainable value creation for all of our stakeholders, we are committed to delivering measurable benefits

Chair's statement continued

Year in review continued

for our business, the financial sector and broader society.

Our progress this year is a testament to our exceptional people, unique culture, and focused client engagement as we continue to simplify and improve a rapidly changing market.

Financial performance and dividend

The underlying resilience and cash-generative nature of our business have been clearly demonstrated through our strong financial performance for FY23, despite the backdrop of a challenging macroeconomic environment both domestically and internationally.

Both our revenue and adjusted profit before tax continued to perform in line with the Board's expectations for the full year. This, coupled with our continued strong cash flow conversion and balance sheet, has again enabled us to demonstrate our progressive dividend policy with a further year-on-year enhancement. This resulted in an interim dividend of 1.1 pence per Ordinary Share, paid in November 2023, and I am pleased to confirm that the Directors are recommending a final dividend of 2.35 pence per share payable on 19 June 2024, resulting in a full year dividend of 3.45 pence per share.

Progress against our strategy

Our primary focus for 2023 was to: (a) sustain growth across our core activities, (b) increase our organic investment into our future technology and research offerings, and (c) take significant advantage of market conditions through a series of targeted acquisitions. Each of these reflects our strategic ambitions for medium to long-term profitable growth, and the establishment of a market leading position and dominant market share within our target sectors.

I am pleased to report that despite considerable negative market sentiment, most notably in the connected sectors of mortgages and surveying, we have progressed well against each of these objectives.

We have invested significantly across 2023, and we will continue to do so across 2024, as we have clear sight of material and sustainable shareholder value creation opportunities.

Fintel is a business with a clear strategy, a positive market environment in which to execute it, and an experienced team that combines vision with a proven ability to deliver consistent strategic progress year on year.

→ You can read more about our strategic priorities and progress on pages 16 to 19

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 23 to 36

Board transition

The Board of Directors has remained stable and unchanged during 2023, enabling a smooth transition of the Chair role from Ken Davy to me, with Ken returning to standard non-executive status as indicated to our shareholders this time last year. This demonstrates the robustness of our succession planning and the cohesiveness of our Board in managing structural change effectively.

I would like to take this opportunity to thank Ken directly for his excellent support throughout both my entry into Fintel and the transition to Chair. Furthermore, I would also like to thank the remaining Board members for their support, diligence and commitment throughout 2023.

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 14 and 15 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 77 to 85

External factors

Macroeconomic considerations

The Board remains conscious of and continually monitors the external environment, assessing how sustained volatility and change impact its ability to deliver shareholder value. In 2023 we have witnessed continued pressures on inflation and base rates, each leading to significant and sustained consumer impact. We remain confident that the mechanisms we have in place ensure ongoing resilience against this challenging backdrop.

Geopolitical environment

World events, particularly the conflicts in Ukraine and the Middle East and impending political elections in the UK, the USA and across Europe, create further uncertainty. It is clear that these factors are having a direct impact on the performance of the UK economy, and more directly on the needs and behaviours of UK consumers of financial services, and that further volatility is highly likely during 2024. We remain diligent in our identification of potential business risks arising, and in the establishment of effective mitigation plans for each scenario.

Annual general meeting

The Company's AGM will be held at Fintel House, St Andrew's Road, Huddersfield HD1 6NA, on 21 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 105 to 112

Outlook

It remains clear that the macro-economic environments, both domestically and internationally, remain challenging for UK businesses in the medium term. That said, I am confident that the UK financial services sector will continue to offer opportunities for a business such as ours to grow, diversify and enhance shareholder value. We have the Executive team, the strategy, and the financial strength to take direct advantage of structural changes in the market.

Throughout 2023 we have demonstrated our ability to deliver significant strategic progress. We enter 2024 with momentum and are confident in our ability to continue to enhance shareholder value across the medium term.

I would like to express the Board's deep gratitude to each of our Fintel colleagues for their innovation, hard work, commitment and dedication to the Company and, indeed, to our many external partners and customers, all of whom bring value to us each day.

These are the bedrocks of our future success over the years to come, as we continue to inspire better outcomes for all.

Phil Smith
Non-Executive Chair
18 March 2024

Joint Chief Executive Officers' statement

Neil Stevens
Joint Chief Executive Officer

Matt Timmins
Joint Chief Executive Officer

Strategic expansion capitalising on market opportunities

2023 has been a defining year for Fintel. We have delivered a resilient financial performance and invested significantly, enhancing our service and technology platform and increasing our scale and reach through the completion of four complementary acquisitions in the year.

We have strengthened our unique position at the heart of the retail financial services sector, and in a rapidly changing market, we have helped financial professionals deliver better outcomes for their clients, remain compliant in the face of changing regulation, and drive their businesses forward at pace.

As we scale our compelling proposition, enhancing our insight, IP and technology capabilities to meet evolving market needs, we are strongly positioned for continued organic and acquisitive growth, creating sustainable value for all of our stakeholders.

In a year of significant volatility, in particular within the mortgage market, our total statutory revenue remained resilient, decreasing by 2.4% to £64.9m (FY22: £66.5m), while our adjusted EBITDA increased by 5.6% to £20.5m (FY22: £19.4m) and adjusted EBITDA margin to 31.5% (FY22: 29.1%), in line with Board expectations.

Strategic priorities

Our strategic priorities are to deliver growth, enhance margin and improve the underlying quality of our core revenues in line with our medium-term objectives. To deliver these objectives we balance sustainable growth across our core activities, organic investment into our technology and research platforms with inorganic investment to increase our scale, IP and capabilities.

Following significant organic investment into our technology and services platform of £4.8m and into four acquisitions with initial net cash investment of £13.3m in 2023, we see further opportunities to capitalise on favourable market conditions and execute our inorganic growth strategy in 2024. We will continue to realise our active M&A pipeline, leveraging our financial agility to expand our market position, increase market penetration in our target sectors and deliver material and sustainable shareholder value.

Strategic delivery - sustained growth across our core activities

We continue to focus on scaling our core business and improving the underlying quality of our revenues. Our three medium-term (2021-2024) strategic objectives, balance continued growth with re-investment in our core capabilities as we digitise and enhance our service and technology platform.

Core revenue growth

Objective: core business revenue growth of 5–7% annually.

In 2023 our core business continued to perform well and in line with our target range, growing 5.6% (FY23: £47.7m; FY22: £45.2m) on a like-for-like basis*. Key drivers consisted of strong growth in fintech software and membership services revenue, combined with expansion of data services and ongoing adoption of the Distribution as a Service ("DaaS") proposition. Our total core revenue remained resilient, increasing by 0.3% in the year (FY23: £56.6m; FY22: £56.4m), enhanced by £1.5m revenue from the four acquisitions completed in the year.

EBITDA margin

Objective: core EBITDA margin of 35–40%.

Our core business delivered an adjusted EBITDA of £20.2m (FY22: £18.6m) and an EBITDA margin of 35.7% (FY22: 32.9%), during a year of significant organic and inorganic expansion of our scale, IP and capabilities, performing in line with our target range.

Earnings quality

Objective: 70–80% of core revenue from SaaS and subscriptions.

SaaS and subscription revenue has increased by 2.2% to £37.6m, now representing 66.4% (FY22: 65.1%) of the core revenues. Key drivers were continued expansion of our DaaS proposition, and quality recurring revenue streams added through recent acquisitions. These positive drivers offset the impact of amendment of our largest software reseller agreement.

Organic and inorganic investment to capitalise on growth opportunity

The UK retail financial services market is open, independent, and competitive, providing choice and value to consumers. However, it is also complex and fragmented, with thousands of products to choose from, delivered by hundreds of providers, through thousands of intermediaries, within a changing regulatory environment.

* Like-for-like basis strips out the impact of acquisitions, mortgage market volatility and the changes in revenue recognition of a software reseller agreement.

Joint Chief Executive Officers' statement continued

Organic and inorganic investment to capitalise on growth opportunity continued

In this dynamic landscape, Fintel provides technology and services to financial product manufacturers, intermediaries and consumers. Fintel's wide-reaching sector presence and unparalleled market insight ensure continued and numerous opportunities for growth. Benefiting from a clear growth strategy underpinned by structural market drivers, our model combines diverse and recurring revenue streams with a proven ability to adapt to industry trends, respond to customer demand and develop new products. This creates significant opportunities for both organic and acquisitive growth, enhanced revenue quality, and sustainable value creation for all of our stakeholders.

Rising tide of regulation

The UK financial services regulatory landscape is constantly evolving, and financial firms need to adapt quickly and efficiently to the changing requirements whilst continuing to operate profitably. The recent changes resulting from the FCA Consumer Duty regulation require intermediaries to evidence suitability at point of sale, and financial product providers at the point of product design, creating opportunities for Fintel across the value chain.

Responding to this need, we expanded our Consumer Duty support package, helping intermediaries to implement requirements across all four consumer outcomes included in the regulation. We also adapted two of our key software solutions including the launch of Consumer Duty Profiles within our proprietary financial planning software, enabling advisers to benchmark products and evidence fair value, as well as the Customer Appeal module within our market and competitor intelligence software, showing the relative importance that different customer profiles place on the insurance product features, and enabling product providers to evidence fair value and suitability. We also expanded our regulatory technology capability, acquiring Competent Adviser, a regulatory learning platform for intermediaries, and VouchedFor, provider of the Elevation feedback tool, helping intermediaries monitor Consumer Duty compliance.

With an experienced team of nearly 150 in-house product and regulatory experts and a growing suite of technology solutions supporting delivery of compliance requirements, we are strongly positioned to continue benefiting from regulatory change.

Product value as important as price

The UK's financial services market offers thousands of financial products to choose from. This wealth of choice creates complexity for today's educated consumers, who increasingly pay attention to quality and suitability of financial products, looking beyond the price.

Providing an independent, expert assessment of a product's features and benefits and distilling this into ratings, Defaqto Star Ratings are recognised by 98% of intermediaries and trusted by consumers, with 89% of people more likely to choose a Defaqto rated product. In 2023 we built on this brand equity, refreshing the Star Ratings proposition with an updated brand identity and expanding our reach through a new distribution partnership with one of the leading comparison sites, MoneySupermarket. We also enhanced the ratings coverage to include tax-advantaged products, leveraging the data from MICAP, provider of independent research and advice tools for tax advantaged investment products, acquired in July 2023.

Maintaining the UK's largest financial product database with over four million product features mapped, and a wide-reaching, unique expert product ratings brand, with Defaqto Star Ratings present in an estimated 52 million of consumer financial decisions, we continue to be well positioned to capitalise on the growing consumer demand for product insight and comparison.

Demand for data and insights

With the growth in digital product distribution and regulatory focus on suitability and fair value, the demand and need for quality financial data throughout the product development and sales lifecycle is stronger than ever.

From our position at the heart of the retail financial services market, we provide data and insight services throughout the value chain, helping consumers make better informed financial decisions, intermediaries to recommend suitable products and product providers to design and distribute better products. In 2023 we improved our partner portal insights, scaled our Distribution as a Service offering, and expanded our ratings and reviews platform into adjacent markets. We also completed the successful acquisition of MICAP, provider of independent research and insight on tax-advantaged products, and AKG, provider of financial strength assessments, significantly increasing the scale and IP of our subsidiary business Defaqto.

As we realise synergies resulting from these recent acquisitions and continue to scale our data and technology platform, we see material opportunities to enrich our services and deepen our market penetration in this sector.

Demand for flexible, integrated technology

Ongoing consolidation in the intermediary market has created a need for flexible, modular operating systems. With advisers currently using multiple pieces of software, integration and scalability are key to efficiency.

In this context our objective is to lead innovation, delivering products and solutions that add value and eliminate effort for our clients and the wider market. In 2023 we enhanced our proprietary financial planning software with the launch of a product and platform switching module and a cash flow planning tool, and completed a two-way integration with new CRM solution Plannr.

We also completed two acquisitions, Competent Adviser and VouchedFor, through our knowledge and technology platform Fintel IQ, designed to provide modular, integrated solutions to the retail financial services market whilst widening our addressable market and penetration.

We will continue to invest in our technology platform, helping financial intermediaries operate more effectively and increasing value per customer. We see further opportunities for growth in this area, as we continue to realise our active M&A pipeline and consolidate a fragmented UK financial technology market.

→ You can read more about our market drivers on page 11

Value generation

Our underlying financial resilience, underpinned by a diverse customer base, growing quality revenue streams, disciplined cost control and significant investments in future growth, enables us to continue to expand our proposition and revenue streams despite the backdrop of a challenging macroeconomic environment.

We continue to re-invest in our people, data and digital capabilities, focusing on enhancing our technology platform, knowledge and IP, with a record organic investment in our technology and service platform of £4.8m during the year. We do this whilst developing valuable services for our customers, supporting our people and ensuring we manage our operations responsibly, building a strong platform for sustainable growth.

The cash-generative nature of our business, combined with a significant revolving credit facility, positions us well to continue realising our active M&A pipeline, further enhancing our revenue streams and delivering value to all of our stakeholders.

Joint Chief Executive Officers' statement continued

Value generation continued

Our robust adjusted earnings per share ("EPS") performance of 12.2 pence per share (FY22: 12.2 pence per share), taking into account significant investment in the year underscores our strong profitability and commitment to generating substantial value for our shareholders, underpinned by a progressive dividend policy. On a statutory basis EPS was 6.8 pence per share (FY22: 9.5 pence per share), which is reflective of significant investment in system transformation and M&A adviser costs.

Ensuring better outcomes

Fintel's purpose of inspiring better outcomes is at the centre of everything we do. Guided by that purpose, in 2022 we launched a holistic environmental, social and governance strategy, cementing our long-term commitment to sustainable value creation for all of our stakeholders. In 2023 we focused on integrating ESG principles within our operations and delivering on commitments set out in our Better Outcomes Plan, driving measurable change in our business, our industry and wider society in line with our stakeholder priorities and leading reporting standards and frameworks. This progress has been recognised by the ICA Compliance Awards 2023, seeing us shortlisted as a finalist for the "ESG Initiative of the Year" award.

→ You can read more about our ESG strategy and progress on pages 23 to 36

Our people

We invest in our people, recognising that our team is fundamental to our ongoing success. As we seek to cultivate an engaging, inclusive workplace where everyone can thrive, we prioritise addressing our employee feedback and needs. We are delighted to see this approach reflected in our strengthened position in the top 20 "Best Companies to Work For" in financial services, as well as the "Outstanding Company to Work For" accreditation awarded for the second consecutive year and a further accolade, winning "Employer of the Year" at the FT Adviser Diversity in Finance Awards 2023.

We are also delighted to welcome Phil Smith's appointment as Chair of Fintel, succeeding our founder Ken Davy. Ken's leadership and dedication have been instrumental in shaping the robust foundation and remarkable trajectory of our Company over the years. Looking ahead, we are confident that Phil's stewardship will further our commitment to excellence, innovation, and sustained growth.

→ You can read more about our people and culture on pages 21 and 22

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

Quality recurring earnings

- Recurring SaaS and subscription-based core revenues

Invest to drive growth

- Shaping financial services through innovation and digitisation

Cash-generative business model

- Deleveraged balance sheet
- Strong underlying operating cash flows
- Cost discipline

Maximise shareholder value

- Organic development
- Acquisitions and new developments
- Available finance for strategically aligned acquisitions

Joint Chief Executive Officers' statement continued

Outlook

We have started 2024 with momentum, completing the acquisitions of Synaptic Software, an independent provider of financial adviser planning and research software, and Owen James, the leading provider of strategic engagement events in UK financial services.

The core business continues to trade well, with pressures in the UK housing market offset by growth in fintech software revenue and software licence sales. With expectations that interest rates and market activity will adjust positively in 2024, we are well positioned to benefit from a recovery in the mortgage market.

Our expanding market position, diverse customer base and recurring revenue streams provide resilience against these macroeconomic headwinds and we continue to benefit from structural drivers including increasing regulatory requirements as a result of the FCA Consumer Duty regulation and ongoing demand for data and insights across the retail financial services value chain.

As we realise our active M&A pipeline, we are well placed to capitalise on favourable market conditions, leveraging our financial agility and the significant headroom in our £80m revolving credit facility.

Looking to the future, we are confident in executing our growth strategy, delivering an end-to-end service platform for UK retail financial services and consolidating a fragmented fintech market to enhance our future earnings, proposition and growth opportunities, as we inspire better outcomes for all.

Matt Timmins and Neil Stevens
Joint Chief Executive Officers
18 March 2024

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.

>£43bn
of investment recommendations were made through Fintel's proprietary advice technology

£23bn
of mortgage lending was arranged through our intermediary members

52m
consumer financial decisions supported by Defaqto Star Ratings

>45,000
products and funds researched

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

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

Markets

Strategically positioned to capitalise on macro industry trends

In the dynamic and fragmented landscape of UK retail financial services, Fintel operates with a clear growth strategy underpinned by positive structural market drivers. With a wide-reaching sector presence and unparalleled market insight, it combines diverse and robust revenue streams with an ability to adapt to industry trends and develop new products, creating significant opportunities for both organic and acquisitive growth.

Rising tide of regulation and compliance

As a result of the FCA Consumer Duty regulation, there is an increasing burden on intermediaries to evidence suitability at point of sale and financial product providers at the point of product design.

Our response

- Launch of Consumer Appeal module in our market and competitor intelligence software, showing relative importance of product features, helping providers demonstrate suitability
- Expansion of the Consumer Duty hub, helping intermediaries to implement requirements across all four consumer outcomes included in the regulation
- Launch of Consumer Duty Profiles in our proprietary financial planning software, enabling advisers to benchmark products and funds and evidence fair value
- Expanded regulatory technology capability through acquisition of:
  - Competent Adviser, a regulatory learning platform for intermediaries
  - VouchedFor, provider of the Elevation feedback tool, helping intermediaries monitor Consumer Duty compliance

Future opportunities

- Further expansion of regulatory software and support services

Link to strategy

1 3 4

Product value as important as price

With the move towards digital product distribution and increasing regulation, quality and suitability of financial products are increasingly important to today's educated consumers and intermediaries serving them.

Our response

- Investment in leading consumer facing proposition Defaqto Star Ratings through a brand refresh
- New Star Ratings distribution partnerships with one of the leading price comparison sites, MoneySupermarket
- Expansion of Star Ratings and risk mapping portfolios to include tax-advantaged products, leveraging data from MICAP acquired in July 2023
- Expansion of AKG financial strength ratings displayed within our financial planning software, helping intermediaries assess operational resilience of discretionary fund managers ("DFMs")

Future opportunities

- Enhancement of Star Ratings functionality and criteria
- Expansion of Star Ratings awareness and reach
- Strategic review of the Defaqto consumer proposition opportunities

Link to strategy

1 2 3 4

Need for flexible, integrated technology

Intermediary market consolidation has created a need for flexible, modular operating systems. With advisers currently using multiple pieces of software, integration and scalability are key to efficiency.

Our response

- Launch of Fintel Labs technology incubator to foster innovation in the sector
- Launch of Fintel IQ knowledge and technology platform, allowing Fintel to expand its integrated technology platform and distribute innovative products to a wider customer base
- Enhancement of proprietary financial planning software for intermediaries to include:
  - Product and platform switching module
  - Cash flow planning tool
  - Two-way integration with new CRM solution provider Plannr

Future opportunities

- Realisation of active M&A pipeline, expanding IP and capabilities to deliver innovative and integrated technologies
- Further development and integrations within Fintel technology platforms to provide a seamless, modular financial advice journey

Link to strategy

1 3 4

Growth in demand for data and insights due to regulatory pressures

With the growth in digital product distribution and regulatory focus on suitability, the demand and need for quality financial data throughout the product development and sales lifecycle is stronger than ever.

Our response

- Enhancement of Distribution as a Service ("DaaS") with inclusion of dynamic data sets within the partner portal
- Extension of our research and insights platform through acquisition of:
  - MICAP: provider of independent research and insight on tax-advantaged products
  - AKG: provider of financial strength assessments in the intermediated financial services market

Future opportunities

- Expansion of data and insights services through integration of quality data sets added through M&A
- Further expansion of market and competitor intelligence software to provide a holistic market view, supporting all aspects of proposition design, delivery, and compliance

Link to strategy

1 3 4

Key

1 Organic growth 2 Brand 3 Digitisation and innovation 4 Mergers and acquisitions

Business model

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

→ At a glance on pages 2 and 3
→ Stakeholder engagement on pages 13 to 15

Resources and relationships

Proprietary data, insights and analysis
- Supporting over £43bn of investment recommendations through Fintel's proprietary advice technology
- Largest database of financial products in the UK including research and analysis of more than four million product features

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

Industry knowledge and expertise
- C.150 in-house product and regulatory experts

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

How we do business

What we do

Support services
SimplyBiz

Fintech and research
Defaqto

Who we serve

- Product providers
- Intermediaries
- Consumers

How we do it

- Market insight and analysis
- Product research and comparison
- Product ratings
- Product design and compliance
- Financial planning and advice technology
- Product comparison
- Targeted distribution
- Integrated workflows
- Product education

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
- 3.45 pence per share FY23 dividend

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

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

Stakeholder engagement

Generating long-term sustainable value for all of our stakeholders

Section 172 statement

Central to the vision of Fintel is a purpose-led philosophy and, in line with our underlying values, we are committed to driving better outcomes for all of our stakeholders. We strive to develop and maintain strong relationships with our diverse range of stakeholders to understand their needs and priorities, which inform our strategy and the Board's decision-making process. Engaging with stakeholders encourages positive relationships which impact our strategy, product development roadmap, policies, procedures and ultimately the way we conduct our business.

Considering stakeholders in decisions

Our stakeholder engagement processes enable our Board to understand what matters to stakeholders and fully consider all the relevant factors, selecting the best course of action to generate sustainable, long-term value for all of our stakeholders. When making decisions the Board carefully considers the matters set out in section 172 of the Companies Act 2006, including:

The likely consequences of any decision in the long term	→ Page 12: Our business model → Pages 16 to 19: Our strategy → Pages 23 to 36: ESG
The interests of the Company's employees	→ Pages 21 to 22: Our people and culture → Page 21: Equity, diversity and inclusion → Pages 53 to 54: ESG and Wellbeing Committee report
The need to foster the Company's business relationships with suppliers, customers and others	→ See https://www.wearefintel.com/our-impact/resource-hub/ to access: → Fintel's Code of Ethics → Modern Slavery Statement → Supplier Code of Conduct
The impact of the Company's operations on the community and the environment	→ Pages 23 to 36: ESG → Pages 32 to 34: TCFD disclosures → Page 35: Carbon emissions → Pages 53 to 54: ESG and Wellbeing Committee report
The desirability of the Company maintaining a reputation for high standards of business conduct	→ Pages 48 to 52: Governance report → Pages 55 to 56: Audit Committee report → Page 56: Whistle blowing
The need to act fairly as between members of the Company	→ Page 14: Shareholder engagement → Pages 105 to 112: Annual general meeting

Case study:

Acquisitions

Decision

During 2023, the Board considered acquisitive expansion in line with the Company's M&A and growth strategy.

→ For information on acquisitions during the year see pages 18 and 19

Considerations

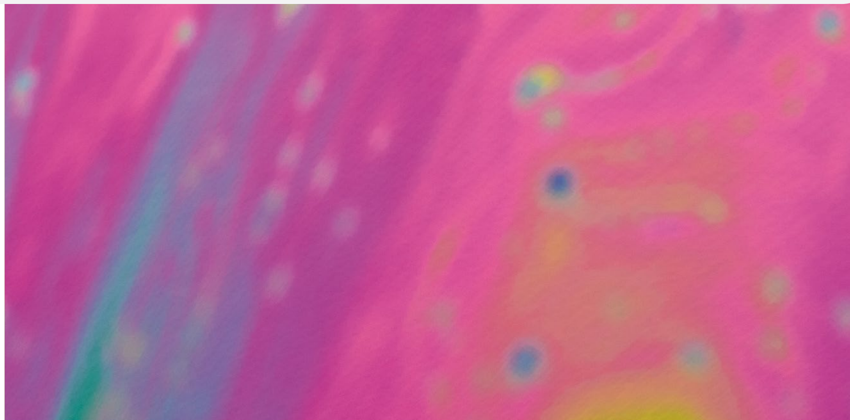
- Long-term strategy: the risks and opportunities associated with each acquisition
- Shareholders: the impact of acquisitions on shareholder value
- Colleagues: the impact of acquisitions on Fintel's employees and the employees of target companies, including the alignment of company cultures
- Customers and suppliers: the impact of acquisitions on Fintel's customers and suppliers
- Environment and community: alignment with the Company's purpose and ESG strategy

Stakeholder engagement

Shareholders are a key stakeholder group in this context, due to the impact on value generation, risk profile and the strategic direction of the business. Through regular engagement, including investor roadshows and one-to-one meetings with institutional shareholders, which allowed for more detailed discussions, investors expressed an interest in the Company advancing its M&A strategy.

Outcome

The Board approved the acquisitions that it believed were strategically aligned with the long-term interests of the Company and Fintel's stakeholders, taking into account the above considerations.



Stakeholder engagement continued

Clients

Strategic relevance

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. Our client needs and priorities are one of the key considerations in the Board's decision-making process, shaping our strategic roadmap and direction.

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 to ensure compliance with the Consumer Duty regulation
- Enhancement of our whole of market product and competitor intelligence software following structured customer feedback
- A series of acquisitions approved by the Board enhancing our offering in areas of key interest to our customers, including the need for flexible, integrated technology and increasing demand for quality data and insights

Employees

Strategic relevance

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. The Board regularly monitors a comprehensive set of KPIs, including staff engagement and wellbeing, which underpin its key decisions, including policy development and remuneration.

Forms of engagement

- Regular anonymous staff pulse surveys to capture real-time feedback
- Regular Company updates and Q&A sessions with senior leadership team
- Regular digital and face-to-face social activities
- Quarterly meetings of the Equity, Diversity and Inclusion forum

Outcomes

- "Outstanding Company to Work For" accreditation from Best Companies maintained, as voted for by our people
- Implemented tiered pay increase and one-off cost of living payments to support our people during the cost of living crisis
- Launched a new staff forum focused on promoting diversity and inclusion in the business
- Focused on career development, increasing visibility of internal opportunities, launching a career developmental portal and toolkit, and including development section within performance reviews
- Developed our process for onboarding new colleagues to create engagement with our business from day one
- Enhanced our family leave policies

Shareholders

Strategic relevance

The Board prioritises strong, long-term relationships with our shareholders, who provide capital for our business, supporting our strategic growth and long-term value creation. Maintaining open and transparent dialogue with shareholders, we seek feedback and communicate our ambitions and progress, to enable 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
- Stock exchange announcements updating shareholders on strategic developments, including M&A activity, key personnel appointments and strategic partnerships

Outcomes

- Increased focus to advance the Company's M&A strategy with four strategic acquisitions completed during the year, capitalising on our extensive M&A experience, strong sector relationships and positive market conditions

Stakeholder engagement continued

Suppliers

Strategic relevance

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, professional advisers and banking partners. 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
- Regular meetings and reporting to ensure that banking partners remain fully informed on all areas of the business
- 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
- Favourable revolving credit facility ("RCF") in place, providing expanded headroom for strategic investments and acquisitions

Regulatory bodies

Strategic relevance

As a market connector within the UK retail financial services industry our relationships with key regulatory bodies such as the Financial Conduct Authority ("FCA") 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

Community and environment

Strategic relevance

Having a positive impact on the community and environment is integral to our strategy, reflecting our commitment to sustainable and ethical business practices. We regularly engage with all of our stakeholders to define and prioritise our environmental, social and governance ("ESG") strategy, action plans and KPIs. This engagement not only fortifies our brand reputation and integrity but also aligns with our strategic objectives, resulting in improved community relations, reduced environmental impact, a motivated and productive team, and a dedicated customer base.

Forms of engagement

- Regular structured materiality assessments to help us prioritise our ESG strategy and initiatives
- Regular communication of progress of our ESG initiatives to our stakeholders
- Inclusion of specific questions relating to our approach to ESG in regular staff pulse surveys

Outcomes

- Expansion of our policies to include: Environmental policy; Equity, Diversity and Inclusion policy; and Charitable and Political Donations policy
- Introduction of a volunteering allowance for staff
- Expansion of the ESG KPIs to measure our progress across all pillars of our ESG strategy

Our strategy

Accelerating growth

Key

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

→ Risk management report on pages 41 to 44

As a customer-led, data-driven, and innovative business we invest in developing our people, digital and data-led services, delivering positive outcomes for the market and creating value for all of our stakeholders.

With a unique service and technology platform serving a diverse customer base, our growth strategy is underpinned by structural market drivers and accelerated through our capacity for strategic investments that enhance our scale, proposition, and IP.

Organic growth

We provide essential and highly relevant services to UK retail financial services, including product providers, intermediaries and consumers. Focusing on growth, we aim to add more value per customer, grow partnerships and reach more of the market.

Risk 1 3 4 6 7 8

Sustaining growth in our core activities, increasing customer value and reach

Progress:

- Supported our members to adapt to the FCA Consumer Duty regulation, launching implementation packages and targeted technology solutions
- Supported our mortgage members throughout a period of volatility with an extended events programme and enhancement of our Buy to Let proposition
- Expanded our strategic asset allocation and Distribution as a Service ("DaaS") partnerships
- Extended the reach of our Star Ratings to work with a new price comparison site, and expanded our risk mapping and ratings portfolios to include tax-advantaged products

2024 opportunities:

- Deepening of DaaS insights, integrating data from acquisitions to include end consumer insights and further advice journey touchpoints
- Further expansion of our ratings portfolio

5.6%
organic revenue growth*

*Excluding the impact of volatility in the mortgage market on commissions revenue, changes in revenue recognition of an amended software reseller agreement and acquisitions

Quality brands

We are a house of quality, purpose-driven brands that communicates clear and sustainable value to all our stakeholders.

Risk 2 4 5 6

Embedding our purpose, building a house of quality brands

Progress:

- Further embedded our ESG strategy, strengthening our market position and shared purpose
- Awarded the accolade of "Outstanding Company to Work For" and reached 14th place in the ranking of best companies to work for in financial services
- Launched the refreshed Defaqto brand identity
- Developed a refreshed SimplyBiz brand identity

2024 opportunities:

- Embedding of new SimplyBiz brand identity
- Strengthening of subsidiary brands and propositions
- Development of the Defaqto brand consumer position

Strategy in action:

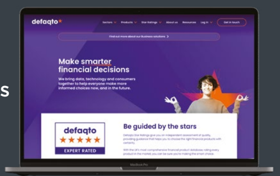
Repositioning the Defaqto brand

In 2023 we redefined the Defaqto brand identity to support the business as it scales.

The aim was to build on the brand's trusted market position, independence and unique IP, positioning Defaqto as an "expert influencer of financial decisions".

The brand launch resulted in 5,000 new website users and 186 pieces of coverage in the financial press.

52m
consumer financial decisions supported by Defaqto Star Ratings



Our strategy continued

Key

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

Digitisation and innovation

We invest in data-driven digital services that add value and eliminate effort for our clients. With a focus on innovation, we deliver premium products and partnerships for services, fintech and research, and distribution solutions.

Risk 2 3 6 8

Increasing organic investment into our future technology and research offerings

Progress:

- Invested in our competitor and market intelligence software, launching the innovative Customer Appeal module to help product providers evidence suitability in line with Consumer Duty requirements
- Upgraded our proprietary financial planning software, extending its capability, integrating with a new CRM, and upgrading the interface
- Upgraded our partner portal, integrating additional data sets to enable campaign modelling

2024 opportunities:

- Further investment into competitor and market intelligence software to support the full product development cycle
- Development of an intermediary member portal
- Expansion of data and insights services through integration of quality data sets added through M&A
- Preparation of our technology and data infrastructure to maximise future AI opportunities

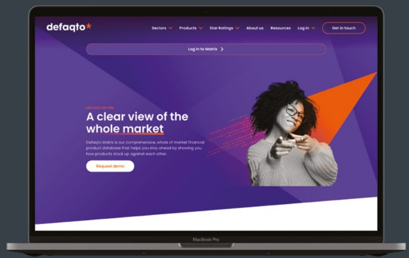
Strategy in action:

Helping the market adapt to Consumer Duty regulation

With an increasing focus on product suitability, understanding consumer preferences is more important than ever for product providers.

To meet this growing need, we worked with a broad range of general insurance customers to develop the innovative Customer Appeal module within our competitor and market intelligence software.

The new functionality and data set will show which elements of an insurance product are most important to consumers based on their demographics, helping providers evidence suitability during the product design process.



Mergers and acquisitions

We accelerate our growth by bringing new businesses into the Fintel family, focusing on strategic targets that will enhance our scale, IP, and capabilities.

Risk 1 5 8

Taking significant advantage of market conditions through a series of highly targeted inorganic interventions

Progress:

- Completed four acquisitions in 2023, including:
  - VouchedFor
  - AKG
  - Competent Adviser
  - MICAP
- Two further acquisitions completed in January 2024:
  - Synaptic Software
  - Owen James

2024 opportunities:

- Further realisation of an active M&A pipeline
- Maintenance of prudent leverage and funding flexibility, ensuring sufficient operational capacity to maximise strategic growth opportunities

6 bolt-on transactions in the past 12 months

£1.7m net cash and £69m available in the revolving credit facility

Our strategy continued

Strategy in action: focus on M&A

Structural market drivers key

1. Rising tide of regulation and compliance
2. Product value as important as price
3. Need for flexible, integrated technology
4. Growth in demand for data and insights due to regulatory pressures

Capitalising on strong liquidity and supported by an £80m revolving credit facility ("RCF"), in 2023 Fintel took advantage of positive market conditions, successfully completing a series of targeted deals.

These were selected based on the following criteria:

- technology quality and scalability;
- unique IP and data;
- solid and growing customer base;
- strong management team; and
- cultural and purpose alignment.

Fintel's M&A process

	Board decision
Target identification – Market analysis and screening – Preliminary selection	Define screening criteria
Initial assessment – High level evaluation – Shortlisting based on strategic fit and value creation potential	Shortlist review and approval
Due diligence ("DD") – Comprehensive financial, legal, commercial, technology and operational review	Review findings
Deal structuring and negotiation – Structure and terms development – Negotiation process guided by DD findings	Review terms
Transaction completion – Agreement execution – Market and stakeholder communications	Approve acquisition
Post-acquisition integration – Develop integration plan based on revenue growth and synergy potential	Approve plan and monitor progress

MICAP

MICAP provides independent research and advice tools for tax-advantaged investment products.

Deal overview

- Acquired July 2023
- Net upfront consideration of £2.8m
- Further £1m cash consideration deferred for one year and a £0.5m contingent earn-out based on certain trading criteria being delivered in the first year of ownership

Synergies

- Extension of Defaqto's reach into the tax-advantaged market
- Expansion of both the data footprint and research capabilities to further enhance scale and IP

Future opportunities

- Further growth expected from strong customer and proposition adjacencies

Structural market drivers

1 2 4

Competent Adviser

Competent Adviser is a dynamic learning platform enabling advisers to meet increasing regulatory competency requirements.

Deal overview

- Acquired July 2023 by Fintel IQ
- Net upfront consideration of £2.1m
- Further £0.5m contingent earn-out based on certain trading criteria being delivered in the first year of ownership

Synergies

- Addressing an increasing need for dynamic competency and knowledge management for both advisers and providers
- Strengthening of technology and data proposition

Future opportunities

- Proposition expansion, including:
  - Soft skills training
  - Customised learning paths
  - Company curriculums
- Integration with wider Fintel platforms

Structural market drivers

1 3 4

Our strategy continued

Strategy in action: focus on M&A continued

Structural market drivers key

1. Rising tide of regulation and compliance
2. Product value as important as price
3. Need for flexible, integrated technology
4. Growth in demand for data and insights due to regulatory pressures

AKG

AKG is a leading provider of independent assessments and ratings of financial strength for a range of organisations including life companies, investment platforms and discretionary fund managers.

Deal overview

- Acquired October 2023
- Net upfront consideration of £1.4m
- Up to further £0.2m contingent earn-out based on certain trading criteria being delivered in the first three years of ownership

Synergies

- Extension of Defaqto's portfolio of ratings and reviews
- Complementary industry expertise, insight and data
- Expansion and deepening of relationships within the investment management and financial advice communities

Future opportunities

- Accelerated proposition distribution and investment, drawing resources from across Fintel

Structural market drivers

1 2 4

VouchedFor

VouchedFor is a leading review site for financial advisers, mortgage advisers, solicitors and accountants, serving over 5,000 intermediary customers.

Deal overview

- Acquired November 2023 by Fintel IQ
- Net upfront consideration of £7.0m
- Up to further £10m contingent earn-out, based on a multiple of recurring revenue generated over the first two years

Synergies

- Broadening of Fintel's services to the advice market
- Complementary service offering, enhancing user value

Future opportunities

- Develop VouchedFor into the UK's ubiquitous consumer gateway to advice
- Engage more consumers with advice through the Top Rated Guide campaign
- Embed Elevation in more advice businesses
- Deepen Elevation's value with back-office integrations and service provider integrations

Structural market drivers

1 3 4

Synaptic

Synaptic is an independent, whole-of-market provider of financial adviser planning and research software.

Deal overview

- Announced December 2023; acquired January 2024 by Fintel IQ
- Net upfront consideration of £3.7m

Synergies

- Complementary technology and research capabilities
- Expansion of planning tools into protection quote and apply software

Future opportunities

- Integration with Defaqto Engage, providing fuller workflow for protection products
- Launch of a new protection quote and apply interface, offering sleeker and more enjoyable user experience

Structural market drivers

1 3 4

Owen James

Owen James is the leading provider of strategic engagement events in UK retail financial services.

Deal overview

- Acquired January 2024 by Fintel IQ
- Net upfront consideration of £0.6m
- Up to £1.6m contingent earn-out based on certain trading criteria being delivered in the first three years of ownership

Synergies

- Extension of Fintel's flagship industry event programme
- Expansion of data and insight proposition

Future opportunities

- Further upgrade of partner portal insights and data sets
- Further growth expected from customer and proposition adjacencies

Structural market drivers

1 4

KPIs

Measuring our performance

Core revenue (£m)

£56.6m +0.3%

2023	56.6
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 0.3% to £56.6m (FY22: £56.4m) and reflects our continued growth strategy within our core products and services. Core organic revenue, on a like-for-like basis, has increased by 2.9% (LfL: FY23: £51.7m; FY22: £50.2m), stripping out the impact of acquisitions and the changes in terms, and therefore gross to net revenue recognition of a major software reseller agreement.

Core adjusted EBITDA (£m)

£20.2m +8.7%

2023	20.2
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 non-recurring operating 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 £20.2m (FY22: £18.6m), an increase of 8.7%, demonstrating the strong growth and quality earnings across our core products and services.

Statutory revenue (£m)

£64.9m -2.4%

2023	64.9
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, encompassing the non-core property surveying business, experienced a reduction of £1.6m to £64.9m (FY22: £66.5m). Excluding the changes in terms, and therefore gross to net revenue recognition of a major software reseller agreement, and acquisitions, as well as the impact of increased volatility in the mortgage market, statutory revenue for 2023 remained resilient, reflecting the inherent strength of our subscription-based model, which underpins our growth opportunities.

Adjusted EBITDA (£m)

£20.5m +5.6%

2023	20.5
2022	19.4
2021	18.3
2020	17.3

Why we measure it

Adjusted EBITDA is a useful measure in understanding operational profitability of the Group, excluding non-recurring and non-cash items.

How we measure it

This metric measures earnings of the Group before interest, tax depreciation, amortisation, share option charges and non recurring costs.

Performance

Adjusted EBITDA remains strong at £20.5m (FY22: £19.4m), increasing by 5.6%. The resulting adjusted EBITDA margin of 31.5% (FY22: 29.1%) compares well with prior periods due to improved revenue mix with continued growth on higher margin business lines.

Dividend (pence per share)

3.45p +6.2%

2023	3.45
2022	3.25
2021	3.00
2020	2.85

Why we measure it

Dividend is 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

During the year the Company paid the final dividend in respect of FY22 of £2.3m, and an interim dividend in respect of FY23 of £1.1m. The Board is proposing a full year dividend in respect of FY23 of 3.45 pence, an increase of 6% on the FY22 dividend of 3.25 pence. The proposed final dividend of 2.35 pence (FY22: 2.25 pence) reflects the Group's strong business performance and cash generation during the year.

Scope 1 and 2 carbon intensity ratio*

0.77 -41%

2023	0.77
2022	1.30
2021	1.54
2020	1.44

Why we measure it

The ratio of scope 1 and 2 carbon emissions per £m of revenue provides insight into the environmental efficiency of our operations in relation to our financial performance.

How we measure it

This metric is calculated by quantifying our total scope 1 and 2 greenhouse gas emissions and normalising this figure against every million pounds of revenue generated.

Performance

Our focus in 2023 was on shifting towards renewable electricity supply, and optimising energy efficiency at our largest office in Huddersfield, which resulted in a 41% scope 1 and 2 intensity ratio reduction (FY23: 0.77; FY22: 1.30).

For 2024 we set a reduction target of 5% compared to 2023.

* Per £1m of revenue.

People and culture

A purpose-driven business, a people-led approach

Emily Blain
People and Operations Director

By focusing and acting on feedback, we can be sure we are creating a collaborative and inclusive workplace where everyone can thrive.”

A purpose-driven business

As the UK's leading fintech and support services business, we are the connecting force within retail financial services, inspiring better outcomes that benefit everyone from product providers to intermediaries to consumers. By simplifying and supporting the complex financial services world through technology, people and insights, we create outcomes that leave everyone better off. It's our defining purpose as a business, shared across our people, our culture and our family of brands.

A people-led approach

Our people are the key to our prosperity, and we believe when they succeed, the business does too. By focusing and acting on feedback, we can be sure we are creating a collaborative and inclusive workplace where everyone can thrive, as shown by our Best Companies achievement, voted for by our people, which we are incredibly proud of.

FINANCIAL SERVICES' TOP 25 BEST COMPANIES TO WORK FOR 2023 cert.b.co.uk

OUTSTANDING TO WORK FOR 2023 cert.b.co.uk

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

Health and safety (“H&S”), wellbeing and engagement

Creating a safe, secure, healthy and engaging working environment.

Our approach

- Regular operational risk assessments, and H&S audits
- Comprehensive wellbeing calendar and targeted support for all employees
- Manager masterclasses on mental health and wellbeing
- Monthly “pulse” surveys to monitor employee satisfaction
- Regular Company updates run by senior management
- Regular formal and informal staff recognition
- Access to a money management tool to support financial wellbeing

2023 highlights

- First bi-annual Group-wide H&S Committee meeting held
- Quarterly H&S checklist launched across all offices

RIDDOR reportable incidents	0
Staff engagement score	82%
Best Companies “Outstanding to Work For”	✓

Equity, diversity and inclusion (“EDI”)

Embedding a supportive and inclusive culture.

Our approach

- Mandatory annual EDI and unconscious bias training
- “Inclusive” behaviour built into the performance review and reward process
- A flexible working promise and modern policies
- Perceived inclusivity monitored across the business
- Agency engagement to ensure we attract the widest talent pool for each role

2023 highlights

- Winner of “Employer of the Year” at the FT Adviser Diversity in Finance Awards
- New EDI policy implemented
- Launch of “Better Together” EDI employee forum

Diversity data disclosure rate	27%
Employee voted equality perception score	9/10
Voluntary Fintel gender pay gap reporting	✓

People and culture continued

Recruitment, retention and development

Attracting, developing and retaining talented people within the business.

Our approach

- Regular succession planning for all senior leadership roles
- Mandatory and non-mandatory learning resources for all employees
- Funding of professional qualifications
- Internal opportunities, progression and mobility promoted internally via our dedicated careers site
- A flexible benefits platform, enabling staff to flex their Company benefits package

2023 highlights

- Launch of new online career development hub
- Pilot of senior mentoring scheme
- Implemented tiered pay increase and one-off cost of living payments to support our people during the cost of living crisis

% of all vacancies filled internally	19%
% of managerial vacancies filled internally	31%
% of senior leadership roles with succession plans in place	100%

Ethics and fairness

Creating a strong and ethics-driven culture in line with our shared values.

Our approach

- Annual salary review, benchmarking and equal pay review conducted
- Accreditation as a Real Living Wage employer maintained
- Comprehensive suite of policies, aligned to applicable laws, regulations and best practice
- Anti-bribery policy and process
- Mandatory training, ensuring our people have a strong understanding of key governance and ethics topics

2023 highlights

- Mandatory annual training developed, ensuring our people have a strong understanding of key governance and ethics topics
- Launch of updated Defaqto values and principles

Equal pay claims	0
Accredited Real Living Wage employer	✓
Gifts and Hospitality Register in place	✓
Code of Ethics in place	✓

Investing in future generations

Q&A with our intern

Isabella Whyte
Intern

What is the most rewarding aspect of your experience working at Fintel?

The most rewarding aspect of my experience at Fintel has been the opportunity to work on real projects which will hopefully have a positive impact on the business. It has been a chance to put what I have learned so far in my business studies at university into practice and I have learned skills which I am certain will help me in my final year at university and in my future career.

In your opinion, how has Fintel positively impacted your professional growth and development?

My internship at Fintel has definitely had a positive impact on my professional growth and development. Throughout my time here, I have been encouraged to take ownership of my projects and take on responsibilities which have pushed me out of my comfort zone and enabled me to develop skills such as time management, communication and problem solving.

How would you describe the culture of the business?

I would describe the culture at Fintel as collaborative. Every project which I worked on demonstrated to me the value of collaboration in the workplace and how this is proven at Fintel. I would not have been able achieve what I did without the help of others, and I appreciated the willingness of other people from across the business to spend time helping me and sharing knowledge which assisted me with the projects I was working on.

How would you describe your work experience in one word?

I would describe my experience at Fintel as “transformative”. This internship has transformed my skills, knowledge, and perspective and it has provided me with tools and experiences which will be invaluable to me in the future.

Our impact

Highlights

Meaningful progress in embedding our bespoke ESG strategy and advancing our objectives across all three pillars

Better future

Our promise
To empower our people and broader communities, creating opportunities for all

170
financial product education articles with Defaqto experts' input

27%
EDI data disclosure rate amongst staff (FY22: 15%)

#75
Best Large Company to Work For in the UK (FY22: #126)

→ Read more on pages 26 to 27

Better industry

Our promise
To improve the market, helping it operate more effectively and meet evolving customer needs

200
retail investment funds covered by our ESG research platform (FY22: 110)

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

→ Read more on pages 28 to 29

Better business

Our promise
To manage our business responsibly and minimise our impact on the environment

0
notifiable data breaches

100%
renewable electricity procured at our two largest offices

1.7
tonnes of waste diverted from landfill

→ Read more on pages 30 to 31

Our impact continued

Inspiring better outcomes for all

Kate Kwiatkowska
Head of ESG and
Corporate Marketing

> **The launch of our strategy cemented our long-term commitment to sustainable value creation for all of our stakeholders, driving positive change in our business, our industry and broader communities.”**

Introduction

As the leading provider of support services and fintech to the UK retail financial services sector, we play a crucial role in enabling the industry to operate more effectively. Our purpose of inspiring better outcomes underpins everything we do and was a key driver in defining our holistic environmental, social and governance (“ESG”) strategy, launched in 2022.

This bespoke strategy is structured around three pillars: better future, better industry, and better business, each forming a cornerstone of our ESG goals. The launch of our strategy cemented our long-term commitment to sustainable value creation for all of our stakeholders, driving positive change in our business, our industry and broader communities.

Our approach

Stakeholder-led

Engaging our stakeholders in a comprehensive materiality assessment, ahead of launching our strategy was a fundamental step to defining our priorities, and our progress to date has been driven by the outcomes of that assessment. To ensure we continue to reflect the evolving priorities of our stakeholders, we will conduct another assessment in the second half of 2024, with results published in early 2025.

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

Effective governance

To help us fully integrate ESG principles within our operations and ensure that the ESG strategy remains consistent with the Company’s purpose, culture and values, the Board ratified a new ESG and Wellbeing Committee in January 2022, chaired by Senior Independent Non-Executive Director Imogen Joss.

→ Full details of the Committee’s remit and activities undertaken in 2023 are set out on pages 53 and 54

Meaningful change

Our commitment to creating meaningful change is reflected in the deliberate actions we take and the strategies we implement. Our focus is not just on achieving short-term objectives but on driving long-lasting, positive impacts across our business, industry, and the communities we serve.

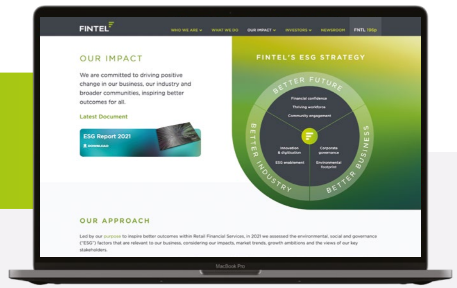
→ Read more about our progress across all three pillars of our ESG strategy on pages 26 to 31

Throughout 2023 we focused on further embedding the ESG strategy across the business and strengthening our foundations. A key focus for the year was to expand our ESG related data and KPIs, increasing precision and transparency of reporting, as well as enabling us to regularly monitor our performance.

We also formalised our approach within a number of focus areas, launching three new policies: Environmental policy, Equity, Diversity and Inclusion (“EDI”) policy and Charitable and Political Donations policy.

Increasing awareness and engagement across all levels of the Company was also a priority, as we embed a sense of ownership of our strategy more widely, with our new awareness and action calendar, educational content shared within our internal intranet platforms and newsletters, as well as the launch of an employee forum focused on EDI.

We are delighted to see these efforts recognised through our strategy being shortlisted as an “ESG Initiative of the Year” at the ICA Compliance Awards early in 2023.



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

Our impact continued

Our approach continued

Transparent reporting

In our drive towards transparency and accountability, we align our ESG reporting with globally recognised frameworks. We continue to monitor the evolving reporting landscape and best practice, ensuring that we expand our disclosures where relevant.

For FY23, we continue to report in line with:

- Sustainability Accounting Standards Board ("SASB") Sustainability Accounting Standard for Professional and Commercial Services (see: www.wearefintel.com/our-impact/resource-hub/), which helps communicate financially material sustainability information focusing on issues most relevant to our industry and operational context.
- Streamlined Energy and Carbon Reporting ("SECR") requirements (see page 35), to enhance transparency around our energy use and carbon footprint, providing valuable insights into our operational efficiency.
- Task Force on Climate-related Financial Disclosures ("TCFD") recommendations, (see pages 32 to 34), covering the strategic implications of climate-related risks and opportunities for our business.

We have been closely monitoring the evolution and consolidation of ESG disclosure standards under the International Sustainability Standards Board ("ISSB"). In particular, the newly issued IFRS Sustainability Disclosure Standards IFRS S1 and IFRS S2, which build on our existing frameworks, with a view of aligning our disclosures with these in the near future.

Positioning our impact in a global context

Understanding our role in the global ecosystem, we actively align our ESG strategy with the United Nations Sustainable Development Goals ("SDGs"). By mapping our ESG initiatives against specific SDGs, we demonstrate how our actions contribute to broader global objectives. This not only amplifies the impact of our efforts but also connects our stakeholders to a larger, shared vision of sustainable development.

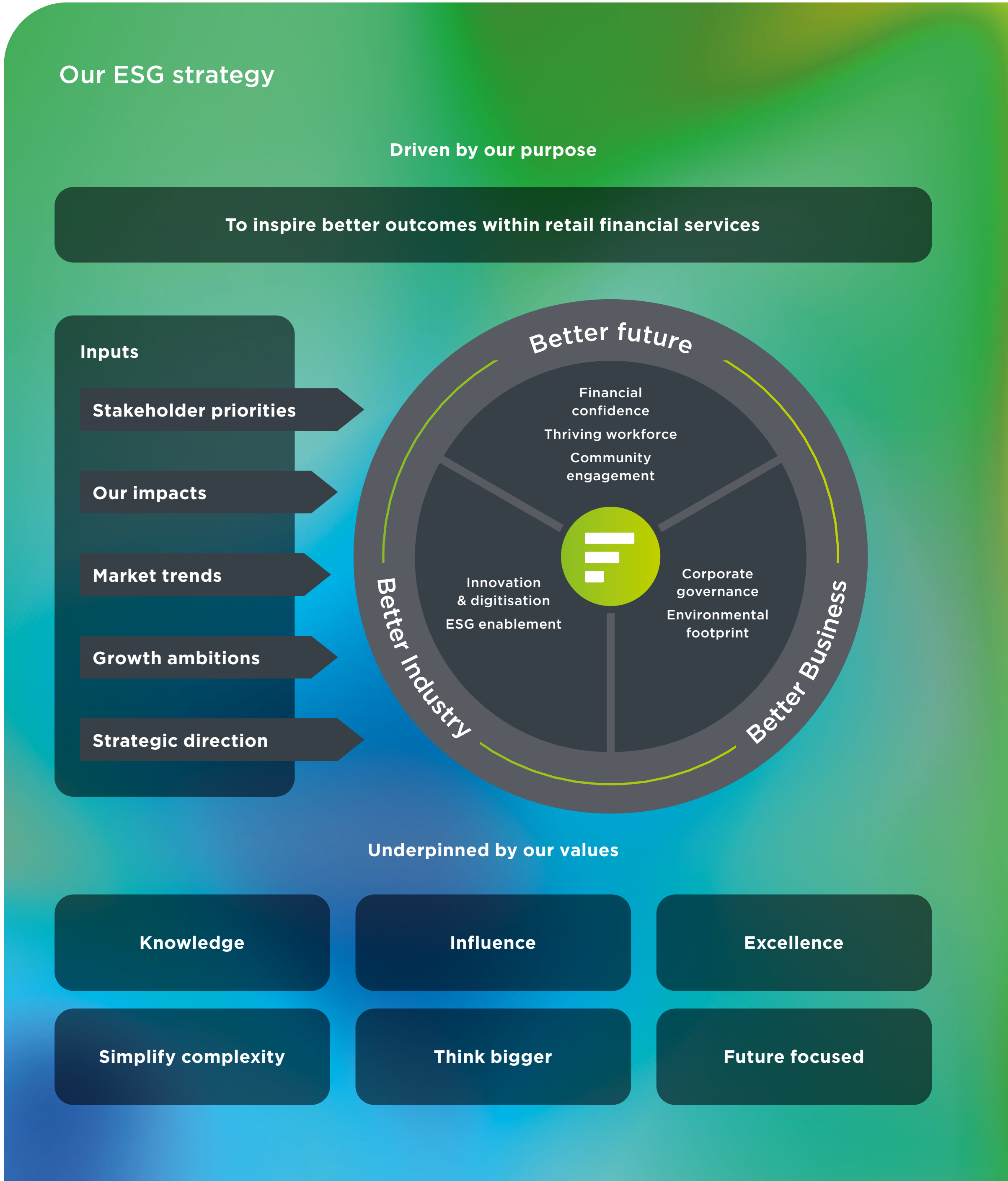
→ For details on how we contribute towards SDGs, please visit: www.wearefintel.com/our-impact/resource-hub/

Looking ahead to 2024

We will continue advancing our strategy at pace throughout 2024, actively engaging wider stakeholders to identify and implement further opportunities for driving positive change both internally and externally.

We will work to implement enhanced systems and processes to help us enrich our data sets, increasing understanding of our baseline and the impact of our initiatives, and enhance our communications with key stakeholders, increasing transparency and engagement.

A summary of key priorities across all three pillars of our strategy can be found on pages 26, 28 and 30.



Our impact 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.

2023 achievements

Financial confidence

- Acquisition of Competent Adviser and VouchedFor, improving trust and access to financial advice
- Star Ratings reach and coverage expanded

→ See page 11 for further details

- Over 170 articles published bringing our expert financial product knowledge to consumers
- Launch of financial wellbeing and money management platform to support staff in building financial health

Thriving workforce

- Winner of 'Best Employer of the Year' at the FT Adviser Diversity in Finance awards
- Launched a new Equity, Diversity and Inclusion staff forum and policy
- Disability Confident Level 1 accreditation attained
- Reached top 75 Best Large Companies to Work For

Community engagement

- Raised over £6,000 for MyBNK charity, helping deliver financial education to young people
- Developed a new Charitable and Political Donations policy, introducing a new volunteering allowance for staff

Goals

50% **Achieve at least 50% EDI data disclosure rate by 2025 to develop a deeper understanding of our workforce and their needs**

Future planned activity

- Partner with the Times Money Mentor, with Defaqto providing its product features and rates data to the Times Money Mentor's editorial team to power its independent best buys and comparison tables across the site
- Explore further opportunities to extend our reach and support consumers with financial product insights
- Extend the pilot mentoring programme and incorporate diversity and social mobility in the design of our future career development and recruitment programmes
- Further enhance our people policies, including improved family leave and pay
- Support staff health and wellbeing with introduction of free basic annual health checks

Highlights

170	52m	27%	#14	£21,695
financial product education articles with Defaqto experts' input	**consumer financial decisions supported by Defaqto Star Ratings**	**EDI data disclosure rate amongst staff (FY22: 15%)**	**Best Financial Services Company to Work For in the UK (FY22: #20)**	**raised for charities selected by our people**

Priority level

Financial confidence	●●●
Thriving workforce	●●○
Community engagement	●○○

Material topics

Financial confidence

- Financial education and wellbeing
- Financial inclusion

Thriving workforce

- Diversity and inclusion
- Workforce development
- Engagement and wellbeing

Community engagement

- Charity support
- Sponsorship
- Volunteering

UN SDGs

4 QUALITY EDUCATION
5 GENDER EQUALITY
10 REDUCED INEQUALITIES

Frameworks

SASB

Memberships, collaborations and accreditations

Our impact continued

Better future continued

Financial confidence

Using our expertise and reach to improve levels of financial wellbeing and inclusion is not only a focus of our ESG strategy but is also integral to the social value we create as a business.

Promoting professional financial advice

We passionately believe in the value of professional financial advice, and we are dedicated to improving trust in and access to this crucial sector.

In 2023 we acquired two businesses sharing this mission; Competent Adviser, the UK's fastest growing digital knowledge and competence management system, and VouchedFor, a business dedicated to increasing confidence in, and generating demand for, professional financial advice.

→ You can read more about our acquisitions on pages 18 to 19

Helping consumers to make smarter decisions

We use our deep understanding of financial products to support consumers in making smarter financial decisions.

Combining the most comprehensive product database in the UK with expert research methodology, Defaqto Star Ratings are the most trusted expert assessment of the products and policies in the market. In 2023 we expanded the reach of our Star Ratings with a new partnership with MoneySupermarket and expanded our risk mapping and ratings portfolio to include tax advantaged products.

Since April 2023, our team of experts have contributed to more than 170 consumer press articles, sharing valuable insights into financial products ranging from mortgages and savings accounts to home, travel and motor insurance policies.

For 2024, we are delighted to have partnered with The Times, increasing the reach of our financial product insights and education. Utilising the UK's largest financial product database spanning 45,000 financial products and 4 million product features, Defaqto will provide weekly data for the Best Buys section in the Money pages of the Saturday edition of The Times, as well as in The Sunday Times. This will span current accounts, savings, mortgages, loans, and credit cards.

Supporting the financial wellbeing of our people

We understand that the financial wellbeing of our employees is fundamental to their long-term financial security.

Recognising this, in 2023, we launched a financial wellbeing and money management platform to empower our staff to take charge of their financial health. This initiative provides our team with the tools, insights and knowledge to effectively manage their finances.

Additionally, we host regular drop-in sessions with a pensions expert to provide professional guidance on pensions-related matters, supporting our employees' long-term financial health and confidence.

Thriving workforce

Our people are our driving force, and we are committed to continuously evolving and improving our approach to ensure we meet their needs.

Fostering an inclusive culture

We believe that fostering an inclusive culture is instrumental in harnessing a diverse range of perspectives, creating a happier, more engaging, and productive working environment for all of us. This is why a key focus for 2023 was formalising our approach to Equity, Diversity and Inclusion ("EDI"). The Board ratified a new EDI policy and framework, reaffirming our aim to have a thriving workforce that authentically reflects the world around us, where every person feels respected and empowered to give their best.

→ The policy is available from: www.wearefintel.com/our-impact/resource-hub/

We also launched a new "Better Together" EDI staff forum to promote equity, diversity, and inclusion within our business, enabling employees to collaborate, share ideas, and drive initiatives that foster an inclusive and equitable workplace.

We are committed to actively taking steps to attract, recruit and retain disabled workers, and to strengthen this commitment, we are delighted to have attained the Disability Confident Committed employer accreditation Level 1 from the Department for Work and Pensions and are planning to achieve Level 2 in 2024.

In Q4, we launched a "This is Me" campaign encouraging our people to share their EDI data in a confidential manner. By better understanding the makeup of our workforce we hope to identify areas where we can tailor our programmes to the specific needs of our people, creating a more inclusive workplace. Our Q4 campaign almost doubled our disclosure rate to 27% and expanded our data set to include socio-economic background in line with recommendations of Progress Together, a membership body focused on creating a UK financial services sector in which everyone is enabled to achieve their full potential.

We are delighted to see these efforts recognised, seeing us win the 'Best Employer of the Year' award at the FT Adviser Diversity in Finance awards 2023.

→ For further details on our approach to EDI see page 21

Meeting the needs of our people

We continued to focus on employee feedback and enhancing our people proposition which resulted in an improved ranking in the prestigious Best Companies to Work For league tables, including promotion to #75 best large company (from #126 in 2022) and #14 in financial services (from #20 in 2022). With these accolades being awarded based on employee engagement surveys, we are incredibly proud of this achievement as a reflection of the culture we have built together.

Fostering growth

With a focus on internal progression, we piloted a mentoring programme with three high potential women mentored by executive team members, and plan to extend this programme to the wider business. Alongside this we launched a new career development hub, and we will continue to scale our development support via a formal Leadership Development programme, providing tools and support to facilitate a strong internal talent pipeline.

Community engagement

Our charity and social committees worked tirelessly throughout the year to support charitable causes chosen by our people. Over £20,000 was raised, including over £6,000 for charity MyBNK, which helps deliver financial education to young people. During the year we held a Mortgage Showcase Charity Dinner, supported by lenders and service providers operating in the UK's mortgage market, raising £12,500 in support of three charities, Prostate Cancer UK, Breast Cancer Now and Dementia UK.

We also implemented a formal Charitable and Political Donations policy, and a new volunteering allowance, prioritising causes that contribute towards UN SDGs.

In line with our commitment to the growth of the professional financial advice sector, we continued to support the Verve Foundation's We Are Change initiative, designed to attract new talent into the industry, and we were delighted to see the trainees progressing well towards their Level 4 Diploma in Regulated Financial Planning with the CII.

Our impact 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.

2023 achievements

Innovation and digitisation

- Extension and enhancement of our technology platform to improve adviser efficiency and deliver better consumer outcomes
- Expansion of our technology capabilities with acquisition of Synaptic Software, expanding our financial planning tools
- Launch of Fintel Labs to foster technology innovation in the sector
- Real time analytics included within the provider portal, enabling product providers to align product design and distribution with adviser and consumer preferences

ESG enablement

- Supported development of a net zero protocol for advisers in partnership with Net Zero Now
- Expanded the ESG research platform, enabling advisers to assess and select retail investment funds from an ESG perspective
- Conducted an assessment of ESG investing and thematic impact solutions, resulting in publication of an ESG investing case study for intermediaries
- Led Mortgage Climate Action Group to support intermediaries in helping homeowners make UK housing stock more efficient
- Partnered with AdviserAction, to provide a platform for advisers and clients to actively participate in steering companies towards sustainable practices

Future planned activity

- Develop further software solutions and integrations to empower the market
- Enhance data and insight services for financial product providers, as a result of recent M&A
- Market launch of Fintel IQ knowledge and technology platform, distributing integrated, innovative products to the wider market
- Continue digitisation of our core services for intermediaries, increasing the value and efficiency for our customers
- Promote the Net Zero Now platform to SimplyBiz member firms
- Work with AdviserAction, fostering industry collaboration to develop sustainable working practices

Highlights

200
retail investment funds covered by our ESG research platform (FY22: 110)

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

Priority level

Innovation and digitisation	●●●
ESG enablement	●●○

Material topics

Innovation and digitisation

- Product and process innovation
- Product and process digitisation

ESG enablement

- ESG facilitation
- ESG thought leadership

UN SDGs

8 DECENT WORK AND ECONOMIC GROWTH
17 PARTNERSHIPS FOR THE GOALS

Memberships, collaborations and accreditations

MORTGAGE CLIMATE ACTION GROUP
net zero now

Our impact continued

Better industry continued

Innovation and digitisation

Promoting innovation and digitisation in the financial services sector is not only a part of our social value creation strategy, but also core to our overall strategic direction.

→ Find out more about our strategy on pages 16 to 19

In 2023 we continued to build a strong multi-year innovation pipeline, enhancing and expanding our technology platform.

Building an integrated technology platform for financial intermediaries

During 2023 we delivered further upgrades to our proprietary advice technology with the launch of new modules, including Cashflow Modelling and Product and Platform Switching and Consumer Duty Profiles, enabling advisers to benchmark products and funds and evidence fair value. We also completed a new integration with new CRM system Plannr, building a more complete workflow for adviser to help them serve their clients more efficiently.

In addition to this we increased our technological capabilities inorganically, with the acquisition of Synaptic Software expanding our suite of financial planning tools into protection quote and apply software. This strategic expansion helps us provide a wider choice of quality, integrated tools, supporting intermediaries in delivering vital services across a range of areas.

→ Find out more about acquisitions on pages 18 to 19

Supporting financial product providers to build better products

Our dynamic, whole of the market competitor intelligence software leverages Defaqto's deep market insights and product expertise, enabling financial product providers to build financial products that reflect consumer needs. In 2023 we developed a new Customer Appeal module. This innovative module uses enhanced data sets and functionality to show which elements of an insurance product are most important to consumers based on their demographics, helping providers evidence suitability during the product design process and design more targeted products.

Early in 2023 we also upgraded the analytics within our partner portal, an interactive platform offering insights and campaign management. The 13 new features introduced added live insights and granular campaign data, enabling financial product providers to align their product development and distribution strategies to specific adviser cohorts, as well as adviser and consumer preferences.

Fostering innovation in the sector

2023 saw the launch of Fintel Labs, a new venture designed to strengthen our technology proposition and support innovation in the sector. An initial investment was made into Plannr Technologies Ltd, a CRM provider and fintech challenger approaching software development in a modern, agile and collaborative way, enabling it to rapidly evolve to meet adviser needs.

ESG enablement

In recent years, ESG has evolved from a niche interest to a strategic necessity, transforming the financial landscape by linking ethical considerations with long-term profitability and resilience. We use our central role in the financial services sector to inform the market on the emerging ESG landscape and offer tools that enable the inclusion of ESG criteria within the financial planning and product development processes. Using our reach, we also partner with other organisations to drive positive change in the sector, increasing engagement with and awareness of wider sustainability considerations.

Expanding our ESG research platform

Our expert insights team deliver comprehensive ESG fund reviews, combining qualitative and quantitative methodology. This provides impartial insight to help advisers consider specific ESG issues throughout the investment process, helping them serve clients interested in ESG investing. In 2023 we further expanded the coverage of these to 200 funds.

During the year, we also assessed ESG investing and thematic impact solutions, which resulted in the publication of a CPD accredited ESG investing case study. This publication aims to help intermediaries understand multiple aspects of ESG, including ESG as a concept, the different forms of ESG investing, the recent performance of ESG funds, the role and mechanisms of investor stewardship, voting and engagement, the main global ESG initiatives and the recent UK and EU regulation around ESG investing.

→ To access the publication go to: www.defaqto.com/resources/esg-investing-case-study

Driving positive change in the sector through industry partnerships

Alongside Liontrust, we joined forces with Net Zero Now, a carbon accounting and climate action platform, becoming the founding development partners for an industry initiative empowering advisers to take climate action. In collaboration we developed a sector-specific protocol for reaching net zero, with input from academics, climate experts and a pilot group of financial advisers. This protocol is aligned with the latest global climate science, including the Science Based Targets Initiative and the Greenhouse Gas Protocol, which set standards and best practice for measuring and managing emissions. Whilst we are working on mapping and reducing our own emissions, this initiative enables us to use our influence to help drive emissions reductions in the sector, with an estimated 175,000 tonnes of emissions generated by financial advisory firms annually. We are committed to promoting Net Zero Now's dedicated, sector-specific digital platform, providing a complete solution for firms to calculate, report and reduce their emissions using tailored reduction plans, amongst our member firms.

Across 2023, our team at SimplyBiz Mortgages worked with the wider mortgage sector as part of the Mortgage Climate Action Group with the aim of providing resources, training and representation for the mortgage intermediary sector as we navigate the net zero transition. Our colleagues represented this initiative at a number of industry events, including the Green Mortgage Summit and Reset Connect, held as part of the London Climate Action Week.

In November we also partnered with AdviserAction a new sustainable investment network that brings adviser firms together to collaborate on delivering a meaningful approach to sustainable investment. The AdviserAction initiative provides a vital platform for advisers and their clients to actively participate in steering companies towards sustainable practices, fostering a shared commitment to positive change, and we are looking forward to supporting this initiative throughout 2024 and beyond.

Our impact continued

Better business

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

2023 achievements

Corporate governance

- Strengthened data security and cyber risk framework following a Fintel-wide audit
- Strengthened risk management processes and enhanced tracking and visibility of risk exposure
- Conducted initial climate-related risks analysis, in line with the recommendations of the Task-Force for Climate-related Financial Disclosures ("TCFD")

Environmental footprint

- Implemented a new Environmental policy, including a travel hierarchy
- Conducted an Energy Savings Opportunities Scheme assessment
- Launched a Fintel-wide environmental awareness campaign
- Transitioned two largest offices to renewable energy supply and implemented energy saving initiatives resulting in a 60% scope 2 emissions reduction compared to 2022
- Implemented waste management and plastic avoidance initiatives

Goals

5% **Reduce scope 1 and 2 intensity ratio by at least 5% in 2024 compared to 2023**

Future planned activity

- Conduct capability and maturity assessments across digital functions
- Bolster compliance with ISO27001 and ISO27701 accreditations across SimplyBiz infrastructure
- Strategic review of principal risks taking into consideration the evolving risk profile of the business following recent acquisitions and wider market changes
- Implement a travel management solution, supporting scope 3 emissions accounting and prompting our people to make greener travel choices
- Develop an energy savings action plan, supporting our emissions intensity ratio reduction target, and informing future emissions reductions plans

Highlights

0	£0	100%	1.7	34.6kg
notifiable data breaches	monetary losses as a result of legal proceedings associated with professional integrity	renewable electricity procured at our two largest offices	tonnes of waste diverted from landfill	of plastic avoided p.a.

Priority level

Corporate governance ●●●
Environmental footprint ●○○

Material topics

Corporate governance

- Data security
- Business ethics and governance
- Supplier relations

Environmental footprint

- Energy management
- Greenhouse gas emissions
- Waste management

UN SDGs

Frameworks

SASB, TCFD, SECR

Our impact continued

Better business continued

Corporate governance

Strong governance is a critical enabler for Fintel's operations, ensuring that our business not only thrives, but also retains the confidence and trust of our stakeholders. Our commitment to responsible business conduct is delivered through adherence to a framework of processes, procedures, and safeguards, designed to protect stakeholder interests, mitigate risks, and oversee the ethical integrity of our operations. By prioritising strong governance, we ensure a solid foundation for sustainable business growth, risk management, and the assurance of our corporate responsibilities.

Preserving confidentiality, integrity and availability of stakeholder data

Following a Fintel-wide audit and gap analysis across data security and compliance, we have significantly strengthened our data security over the past year to ensure a consistent approach to information security across our family of brands.

This focus resulted in the enhancement of our internal cyber and data security framework across SimplyBiz, with the appointment of a Head of Cyber and Infrastructure, development of an ISO27001 and ISO27701 roadmap, and deployment of advanced security technologies such as Microsoft Sentinel SIEM, Defender XDR, and Information Protection. These actions have fortified our control and visibility over information assets, aligning us with industry best practices and frameworks, such as the CIS Critical Security Controls and the National Institute of Standards and Technology ("NIST") Cybersecurity Framework. We are committed to continuous improvement in this crucial area, ensuring that Fintel remains at the forefront of data security and compliance.

Increasing resilience with robust risk management

Effective risk management is a cornerstone of our governance, driving sustainable business performance and operational excellence. During 2023 we streamlined our risk management processes with a new central system, enabling precise monitoring and rapid response to potential risks. Key features include a heat map for increased visibility of risk levels, comprehensive risk statistics for an overview of all risks by department, and a detailed risk view for tracking risk-related activities. Any overdue tasks are escalated, ensuring robust oversight and accountability within our proactive risk management framework.

We also conducted an initial analysis of climate-related risks and opportunities in accordance with the recommendations of the Task-Force for Climate-related Financial Disclosures ("TCFD"). As the first step in our strategic response to climate change, this analysis ensures that we understand and can address any potential impacts on our business whilst advancing our alignment with TCFD recommendations.

→ See our climate-related financial disclosures on pages 32 to 34

Environmental footprint

We recognise 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. This commitment is reflected in our proactive measures to reduce energy consumption, enhance waste management and promote sustainable practices across our operations.

Formalising our commitments

In 2023 our Board ratified a new Environmental policy to formalise our approach to reducing our environmental footprint, committing to ongoing enhancement of our environmental performance, and seeking innovative solutions to minimise our impact. The policy outlines our commitments in the areas of carbon footprint reduction, resource efficiency, waste management, sustainable transportation, employee education and compliance with environmental laws and regulations.

→ The policy is available from: www.wearefintel.com/our-impact/resource-hub/

Increasing energy efficiency

As a key enabler to identifying actionable opportunities for increasing our energy efficiency, in 2023 we conducted an Energy Savings Opportunities Scheme ("ESOS") assessment.

Over the past year, we have also to refined the air conditioning controls and settings within our Huddersfield office, leading to enhanced operational efficiency. By adjusting the heating and cooling schedules and narrowing the temperature parameters for manual adjustments to reduce user error, we have effectively reduced energy consumption.

Reducing our emissions

A significant step in reducing our emissions in 2023 has been the transition of our two largest offices to renewable energy supply. In 2024 we will conduct an assessment of energy sources at our other offices, transitioning to renewable wherever possible, and liaising with our landlords to encourage them to shift the energy sources for offices where we do not directly control the supply.

→ See our Streamlined Energy and Carbon Reporting on page 35

Managing our waste responsibly

In 2023, we partnered with a responsible IT asset disposal provider, which resulted in estimated 1.6 tonnes of electronic waste being redirected from landfill, equivalent to CO_2e emissions avoidance of c.72.4 tonnes. Through a partnership with Xerox, we also prevented over 75kg of depleted toner cartridges and waste toner cartridges from going to landfill.

In aggregate, these initiatives helped us redirect c.1.7 tonnes of waste from landfill.

Avoiding plastic waste

In our effort to combat plastic pollution, we implemented initiatives aimed at avoiding plastic waste. This included removal of plastic packaging from our SimplyBiz IT supply chain, generating estimated annual plastic waste avoidance of 12.6kg. We also removed plastic film used to package our printed adviser magazine publications, resulting in estimated annual plastic waste avoidance of 20kg. Replacement of plastic bottles with aluminium alternatives within the vending machines at Huddersfield and Haddenham offices resulted in further annual avoidance of c.2kg. These initiatives generated aggregate estimated annual plastic waste avoidance of 34.6kg.

Raising awareness

We have also launched a company-wide environmental awareness campaign to educate and engage our employees, highlighting Earth Day, plastic free July and Earth Overshoot Day.

Our impact continued

Climate-related financial disclosures

Aligning with TCFD

The Task Force on Climate-related Financial Disclosures ("TCFD") provides a consistent methodology for climate-related disclosures. This is our second report in line with the TCFD recommendations and as we build the internal processes and capabilities, we will continue improving our compliance with all recommendations, including the ones not currently covered.

Within this report we have made disclosures consistent with the following TCFD recommendations:

- governance: (a) and (b);
- risk management: (a), (b) and (c);
- strategy: (a) and (b); and
- metrics and targets: (a), (b) and (c).

Further work is underway to enhance the identification, impact measurement and reporting for climate-related risks and opportunities, and to map the impacts over the short, medium and long term, considering a range of scenarios in line with the TCFD strategy disclosure (c).

Governance

Board oversight of climate-related risks and opportunities

Fintel's Board of Directors holds the ultimate responsibility for overseeing the management of all risks, including climate-related risks and opportunities, which are firmly embedded within our enterprise risk management processes. All principal risks, including climate-related risk, as well as Fintel's risk management framework are outlined within the Risk management section of the annual report (pages 41 to 44). The Board delegates certain matters to its Committees, as outlined within the diagram.

Climate considerations form part of the ESG strategy development process, with metrics and targets aligned to the Company's current maturity level and supported by appropriate budget allocation. Whilst the Board is mindful of the importance of climate change in the context of the Company's long-term sustainable growth, the physical and transition risks identified are not deemed to be material and therefore are not currently considered by the Board when reviewing and guiding wider strategy, major plans of action, budgets or business plans.

Management's role in assessing and managing climate-related risks and opportunities

Fintel's management team ensures that suitable processes, systems and training are in place to enable the effective identification and assessment of risk by the operational risk owners and assigns resources to support implementation of ESG targets and goals, including those related to climate. At management level, the Enterprise Risk and Business Performance steering group ("ERBP"), chaired by the People and Operations Director, meets quarterly to develop and support execution of enterprise risk management processes and oversee implementation of unit-specific risk response plans. The ERBP members include the Chief Financial Officer and members of the Executive Leadership Committee. The ERBP regularly reports to the Audit Committee and the Board and liaises with the members of the ESG and Wellbeing Committee on climate-related matters.

→ Reporting
→ Informing

Fintel plc Board of Directors

- Oversees all aspects of ESG, including climate-related risks and opportunities with ultimate responsibility for determining strategy and prioritisation of key focus areas
- Provides rigorous challenge to management on progress against goals and targets
- Ensures Fintel maintains an effective risk management framework, including over climate-related risks and opportunities
- Sets risk appetite, impact matrix and definitions

The Board delegates certain matters to its Committees

ESG and Wellbeing Committee

- Oversees the embedding of the Group's ESG strategy on behalf of the Board
- Sets ESG goals and metrics, including climate-related ones
- Monitors climate-related KPIs and performance against goals
- Oversees Fintel's ongoing ESG disclosures

Meeting frequency in 2023: four times

→ See ESG and Wellbeing Committee report on pages 53 to 54 for further details

Audit Committee

- Assesses effectiveness of the risk framework and internal controls
- Reviews the risk register, including climate-related risks

Meeting frequency in 2023: three times

→ See Audit Committee report on pages 55 to 56 for further details

Joint Chief Executive and the management team

- Matt Timmins is responsible for implementation of Fintel's ESG strategy, including climate-related issues, with support from the executive management team

Enterprise Risk and Business Performance steering group

- Monitors implementation of risk response plans, controls and divisional risk exposure, including for climate-related risks on a quarterly basis

Business units

- Support implementation of Fintel's ESG strategy, including that relating to climate

Our impact continued

Climate-related financial disclosures continued

Strategy

Climate-related risks

Fintel recognises the significance of climate change to our stakeholders, and we are committed to identifying, addressing and managing resulting risks and opportunities both now and in the future.

This year, to develop our understanding of climate-related risks, we conducted a review to identify Fintel's top climate-related risks. The review was based on the risk categorisation proposed by the "Recommendations of the Task Force on Climate-related Financial Disclosures", (2017). Two risk categories were considered:

- transition risks: the regulatory, legal, technological and market shifts that may occur as the world transitions to a lower-carbon economy; and
- physical risks: disruptions caused by increased intensity and frequency of extreme weather events, climate patterns, and other consequences of climate change.

The TCFD recommendations encourage companies to analyse how climate-related risks and opportunities affect their financial position over specified time periods. We have begun to consider the impact timeframes, aligning these to how we analyse financial viability and assess the useful life of the organisation's assets, defined as:

- short term: 1–3 years;
- medium term: 3–10 years; and
- long term: 10 years+.

The nature of our business, as a UK-based professional services and technology provider, means that, in the short term, we are more exposed to transition risks such as regulatory change, market uncertainty, or increased stakeholder expectations.

In the medium term, we would expect to see some impact from increased pricing of GHG emissions or costs associated with transitioning to lower emissions technologies or buildings. In the longer term, we can expect to see more physical risks from extreme weather events impacting our direct operations. Whilst a full scenario analysis has not yet been completed, we have indicated potential scenario impact based on the following scenarios, which were selected due to their close alignment with TCFD requirements: Paris Agreement aligned (<1.5°C warming), 2°C warming and business as usual (no action taken to mitigate climate change).

The table below outlines the top climate-related risks and our mitigating actions, with the current level of exposure to these deemed to be low.

TCFD category	Risk	Description	Timeframe	Scenario impact	Building resilience – what we are doing
Transition risk					
Policy and regulation	Regulatory change	Evolving Government policy and regulatory requirements developed in response to the climate crisis, leading to increased operational or disclosure requirements or increase in environmental taxes (e.g. fuel duty or carbon taxes).	Short to medium	<1.5°C ●●● 2°C ●●○ BAU ●○○	We closely monitor the evolving regulatory requirements to proactively prepare for upcoming changes. We currently meet all climate focused regulatory requirements, including reporting our emissions in line with Streamlined Energy and Carbon Reporting ("SECR"), disclosing our approach to managing climate-related risks and opportunities in this TCFD report, and undertaking periodic Energy Savings Opportunities Scheme ("ESOS") assessments.
Market	Uncertainty in the energy market	Abrupt and unexpected shifts in energy prices, resulting in higher operating costs.	Short to medium	<1.5°C ●○○ 2°C ●●○ BAU ●●○	We conduct periodic ESOS assessments to identify energy savings opportunities in our operations. As part of regular facilities inspections, we also proactively identify and implement energy use optimisation strategies.
Reputation	Negative stakeholder perception	Reputational damage caused by not meeting stakeholder expectations or our commitments, leading to lower customer demand or reduced access to talent or finance.	Short to medium	<1.5°C ●●○ 2°C ●●○ BAU ●●○	We continue enhancing our processes to further embed ESG principles into our operations. We also conduct a regular ESG materiality assessment to understand and respond to customer needs. We provide regular, transparent updates on our progress to all key stakeholders.
Technology	Transition to lower emissions technologies or buildings	Transition to lower emissions technology or buildings, leading to requirement to upgrade our infrastructure.	Medium	<1.5°C ●●● 2°C ●●○ BAU ●○○	We conduct periodic ESOS assessments to identify how we can increase the efficiency of our infrastructure. In 2023 we implemented a new Environmental policy designed to guide our approach to reducing our environmental impact.
Physical risk					
Acute	Damage to physical assets from extreme weather events (e.g. floods)	Extreme weather conditions resulting from changing climate may cause damage to physical assets, leading to asset impairment and increased costs.	Long	<1.5°C ●○○ 2°C ●●○ BAU ●●●	We have implemented a robust business continuity process; all our staff members are able to work and service our clients remotely; insurance is in place for physical assets and we regularly assess and maintain key systems within our facilities to ensure optimum operating efficiency and resilience.

Key: ●○○ Low ●●○ Medium ●●● High

Our impact continued

Climate-related financial disclosures continued

Strategy continued

Climate-related opportunities

We recognise that the transition towards low carbon economy also brings strategic opportunities for our business.

Increased regulatory change, such as the recent FCA Sustainability Disclosure Requirements, impacting our intermediary and product provider customers, may generate opportunities for further product development and increase demand for existing products. Relevant services could include regulatory support services, ESG filters within our proprietary financial planning software or increased demand for our ESG reviews service.

The Government net-zero target also creates an opportunity for us to use our reach to influence and support our intermediary clients as they move their own operating models towards net zero. In this context we have partnered with Net Zero Now to develop a new sector-specific tool to help advisory businesses measure, report and reduce greenhouse gas emissions.

We also expect that our work on the energy and resource efficiency initiatives will generate opportunities to reduce our operational costs, as well as improving our resilience to disruptions.

Scenario analysis

We acknowledge that there is further work to be done to better understand the potential financial impacts of climate change on our business based on a range of climate change scenarios. We intend to complete this analysis over the next 12 months and aim to continually monitor and refine this framework as our knowledge and experience of climate change impacts grow.

Risk management

The process for identifying, managing and assessing climate-related risks is fully embedded into our enterprise risk management process. Our methodology combines a bottom-up approach of engaging individual business areas and risk owners, as well as a top-down approach, conducting a strategic review of the risks and considering both the prevailing and emerging risks.

The following process describes how we approach climate risk management.

Step 1: Identification

We identify potential climate-related risks and opportunities based on TCFD guidance, the World Economic Forum Global Risks Report, disclosures by peer companies and observation of market trends and regulation in our sector, as well as any other existing or emerging climate-related regulatory requirements. All of our risks are captured within a central risk register with individual risk owners assigned.

Step 2: Assessment

We evaluate materiality of identified risks at least annually, by multiplying a value based on the potential impact of the risk by a value based on the likelihood of its occurrence and assessing suitability of existing controls. The impact and likelihood assessment gives us a net risk score, which is then adjusted based on controls in place, to generate a residual risk score. The residual score is plotted on a heatmap of all business risks, enhancing visibility of our overall risk exposure and allowing us to prioritise our response plans.

We will further enhance how we assess climate risks by conducting a scenario analysis to help us quantify our exposure and vulnerability in the short, medium and long term.

Step 3: Risk response

Based on the gross score, we decide to either accept the risk exposure or develop controls to reduce the residual risk further. Our responses to our top climate-related risks are outlined in the table on page 33.

Step 4: Reporting and monitoring

We monitor the climate-related risks and opportunities via the climate risk governance structure, outlined on page 32. We report our top climate-related risks and opportunities within our annual report and accounts on pages 33 and 34.

Metrics and targets

We measure and regularly monitor our 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. The details can be found on page 35.

We aim to increase our energy efficiency to reduce our environmental footprint, which also contributes to mitigation of two transition risks relating to the market and technology, as outlined on page 33.

For 2024 we have set a target of reducing our scope 1 and 2 emissions intensity ratio by 5%, compared to 2023. For further details please see page 35.

Our climate-related strategy roadmap

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

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

Our impact continued

Streamlined Energy and Carbon Reporting

Methodology

Our Streamlined Energy and Carbon Reporting ("SECR") statement for FY23 was prepared in line with the Greenhouse Gas Protocol to ensure comprehensive and standardised data calculations.

In order to calculate the carbon emissions, from stationary combustion, purchased electricity (for the location based method) and mobile combustion, we have used the emission factors from the UK Government's "GHG Conversion Factors for Company Reporting 2023".

To better reflect the impact of our efforts to shift to 100% renewable electricity where possible, we commenced application of a market-based methodology for scope 2 emissions, where electricity supplier and tariff data was available, utilising the provider fuel mix data to calculate emissions. Where this wasn't available, a location-based method was used.

The calculations were based on utility bills, landlord supplied information (scope 1 and 2), employee claimed mileage (scope 3 – business travel) and Microsoft emissions dashboard (scope 3 – purchased goods and services – cloud data storage). Where detailed data was not available for scope 1 and scope 2 emissions, we estimated usage based on the floor space occupied, on a like-for like basis in comparison with our other offices.

Coverage

The Company solely operates in the UK and as such the emissions stated are UK emissions only. Our emissions reporting encompasses all entities in our operational control, with emissions apportioned based on ownership level, where appropriate.

Our scope 1 emissions cover natural gas consumption for the office locations which utilise gas heating and our scope 2 emissions cover electricity usage within all office facilities. For facilities acquired during the year we only included emissions accrued from the date of acquisition, as detailed on pages 18 to 19.

Due to data availability, the scope 3 emissions we voluntarily report on currently exclude emissions from the businesses acquired during the year. We aim to expand the coverage of our scope 3 emissions in the future.

Intensity ratios

When choosing our carbon intensity ratio we explored different options, and considered revenue to be most reflective of the business performance. To improve comparability, we also included an additional intensity ratio this year, in relation to average staff number for the year, which was restated for previous periods.

We also report on scope 1 and 2 emissions intensity ratio in relation to revenue, against which we set a reduction target of 5% for 2024.

Performance

Our focus in 2023 was on shifting towards renewable electricity supply and optimising energy efficiency at our largest office in Huddersfield, which resulted in a 60% scope 2 emissions reduction and a 41% reduction in scope 1 and 2 intensity ratio per £1m of revenue. Further details of our 2023 progress in this area can be found on page 31 and our goals related to reduction of our environmental footprint can be found on page 30.

Our continued adoption of cloud-based technology resulted in c.0.86 tCO_2e (c.98%) data storage emissions reduction in 2023, compared to on-premise alternative.

Our environmental focus and policy

The Board is committed to minimising the environmental impact of our operations, and in 2023 a new environmental policy was ratified to support this commitment.

→ Our environmental policy is available from: www.wearefintel.com/our-impact/resource-hub/

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

	2023	2022	2021	2020	% change (from 2022)
Energy consumption (kWh)					
Natural gas*	111,676	122,161	135,808	135,718	
Electricity**	307,266	331,499	345,244	270,170	
Transport fuel	837,350	899,421	568,434	648,193	
Cloud data storage	6	7	–	–	
Total UK energy consumption	**1,256,298**	1,353,089	1,049,485	1,054,080	**(7%)**
Carbon emissions (metric tonnes of CO_2e)					
Scope 1	**24.05**	22.30	24.87	24.95	**8%**
Stationary combustion – natural gas	24.05	22.30	24.87	24.95	
Scope 2	**25.61**	64.11	73.31	62.99	**(60%)**
Purchased electricity – location based	3.00	64.11	73.31	62.99	
Purchased electricity – market based	22.62	–	–	–	
Scope 3	**203.67**	221.91	139.85	160.71	**(9%)**
Business travel	201.92	221.91	139.85	160.71	
Purchased goods and services – cloud data storage	1.75	2.07	–	–	
Total gross emissions	**253.33**	310.38	238.03	248.65	**(18%)**
Intensity ratios (tonnes of CO_2e per unit)					
Scope 1 and 2 tCO_2e emissions per £1m of revenue	**0.77**	1.30	1.54	1.44	(41%)
Scope 1, 2 and 3 tCO_2e emissions per £1m of revenue	**3.90**	4.66	3.73	4.08	(16%)
Scope 1, 2 and 3 tCO_2 per avg. employee count	**0.51**	0.63	0.50	0.43	(20%)

* Electricity usage from Competent Adviser office included from 14 July 2023; from AKG office from 25 October 2023; and from VouchedFor office from 1 November 2023.

** Gas usage from AKG office included from 25 October 2023; and from VouchedFor office from 1 November 2023.

Our impact continued

Non-Financial and Sustainability Information Statement

Under the amended Companies Act 2006, Fintel is now required to present a non-financial and sustainability information statement, and as an AIM listed business with more than 500 employees, this statement is only required to contain the disclosures set out within section 414CB(2A). These disclosures are based on of the Task Force on Climate-related Financial Disclosures ("TCFD"), a framework which Fintel has been working towards compliance with since the previous year. There are eight specific disclosure requirements under the revised legislation, organised under the same four pillars as TCFD ("Governance", "Strategy", "Risk Management" and "Metrics and Targets") and Fintel's disclosures against these can be found on pages 32 to 34.

Companies Act 414CB(2A) compliance summary

Disclosure	Page reference
A description of the company's governance arrangements in relation to assessing and managing climate-related risks and opportunities	page 32
A description of how the company identifies, assesses, and manages climate-related risks and opportunities	pages 32 and 33
A description of how processes for identifying, assessing, and managing climate-related risks are integrated into the company's overall risk management process	page 34
A description of: (i) the principal climate-related risks and opportunities arising in connection with the company's operations, and (ii) the time periods by reference to which those risks and opportunities are assessed	pages 33 and 34
A description of the actual and potential impacts of the principal climate-related risks and opportunities on the company's business model and strategy	pages 33 and 34

Disclosure	Page reference
An analysis of the resilience of the company's business model and strategy, taking into consideration different climate-related scenarios	page 33
A description of the targets used by the company to manage climate-related risks and to realise climate-related opportunities and of performance against those targets	page 33
A description of the key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and of the calculations on which those key performance indicators are based	page 34

Financial review

Resilient financial performance and significant acquisitive growth

David Thompson
Chief Financial Officer

The statutory revenue for 2023 remained resilient, reflecting the inherent strength of our subscription-based model, which also underpins our growth opportunities.”

Four-year core revenue progression (£m)

£56.6m +0.3%

Revenue

The business continued to perform well throughout 2023, with our diverse customer base offsetting the impact of the mortgage market. Core revenue grew 0.3% to £56.6m (FY22: £56.4m), slightly ahead of the same period last year and in line with the Board's expectations.

Core organic revenue of £55.1m (FY22: £56.4m) is impacted by an amendment in contractual terms of our primary software reseller agreement which has been recognised on a net basis since May 2023. Core organic revenue, on a like-for-like basis, has increased by 2.9% (LfL: FY23: £51.7m; FY22: £50.2m), stripping out the impact of acquisitions and the gross to net revenue recognition of the recontracted software seller agreement.

Excluding the impact of mortgage market volatility, core organic revenue grew by 5.6% in line with our medium-term target (LfL: FY23: £47.7m; FY22: £45.2m). Whilst mortgage related activities experienced a significant 21.2% revenue decline during the year, the segment remains profitable, and is well positioned for a rapid return to previous performance levels as the UK housing market normalises.

In line with the Group's strategy, four acquisitions were completed during the year with expansion into adjacent markets enhancing our scale, IP, and proposition. The combined core revenue from these acquisitions recognised during the period amounted to £1.5m.

On a statutory basis, Group revenue, encompassing the non-core property surveying business, experienced a reduction of £1.6m to £64.9m (FY22: £66.5m). Excluding the impact of the change in the software reseller agreement revenue recognition and acquisitions, as well as the impact of increased volatility in the mortgage market, statutory revenue for 2023 remained resilient, reflecting the inherent strength of our subscription-based model which underpins our growth opportunities.

Financial performance – revenue

	Year ended 31 December 2023	Year ended 31 December 2022	Change	% change
Core organic revenue ex. mortgage commissions	**£47.7m**	£45.2m	£2.5m	5.6%
Core organic revenue from mortgage commissions	**£4.0m**	£5.0m	(£1.0m)	(21.2%)
Core organic revenue, like-for-like basis*	**£51.7m**	£50.2m	£1.5m	2.9%
Core organic revenue from software reseller agreements	**£3.4m**	£6.2m	(£2.8m)	(46.0%)
Total core organic revenue	**£55.1m**	£56.4m	(£1.3m)	(2.5%)
Core revenue from acquisitions	**£1.5m**	£Nil	£1.5m	n/a
Total core revenue	**£56.6m**	£56.4m	£0.2m	0.3%

* Like-for-like basis strips out the impact of acquisitions and the changes in revenue recognition of a software reseller agreement.

Financial review continued

Divisional performance

Intermediary Services

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.

Intermediary Services revenue decreased 4.9% to £22.4m (FY22: £23.5m). Stripping out the revenue impact of the change in contractual terms of the software reseller agreement and acquisitions, revenue grew 5.4% on a like-for-like basis (LfL: FY23: £18.3m, FY22: £17.3m). The Intermediary Services division is well positioned to continue benefiting from increasing regulatory changes, including the Consumer Duty regulation, with demand for services driving growth across a number of its key revenue lines.

During 2023 Fintel acquired Competent Adviser and VouchedFor. These contributed combined revenues of £0.8m (£0.5m to software license income and £0.3m to membership fee income respectively), and gross profit of £0.3m to the division from the date of acquisition.

In 2023 the Intermediary Services division delivered:

- average revenue per customer (“ARPC”) of £8,019 (FY22: £7,807) – an increase of 2.7%;
- membership fee income of £11.8m (FY22: £11.5m) – an increase of 3.2%;
- software licence income of £3.7m (FY22: £6.3m) – as a result of the change in contractual terms of primary software reseller agreement now recognised on a net basis through revenue since May 2023;
- additional services income of £6.1m (FY22: £5.7m) – an increase of 6.0%; and
- gross profit* of £10.9m (FY22: £9.5m) with gross profit margin** of 48.9% (FY22: 40.4%).

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

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

Distribution Channels

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

Core Distribution Channels revenues decreased to £11.9m (FY22: £13.0m). Excluding volatility in mortgage related commissions, core Distribution Channels income was consistent with the prior year. Whilst mortgage related activities experienced a significant 21.2% revenue decline during 2023, this segment remained profitable, and is well positioned for a rapid return to previous performance levels as the UK housing market normalises. We continue to scale our Distribution as a Service (‘DaaS’) offering into adjacent markets and extending our partnerships, as we convert our revenue to long term subscription agreements with 74% of partner revenue converted to DaaS.

In 2023 Distribution Channels delivered:

- core commission revenues of £6.8m (FY22: £8.1m) – a decrease of 16.4%;
- marketing services revenues of £5.1m (FY22: £4.9m) – an increase of 3.6%, as we see the continued conversion of product provider revenue to long-term subscription agreements with DaaS revenues of £3.7m (FY22: £3.0m), an increase of 24.9%;
- non-core panel management and valuation services revenues of £8.4m (FY22: £10.1m) – a decrease of 17.3%; and
- Gross profit of £7.6m (FY22: £9.2m) with gross profit margin of 37.8% (FY22: 39.8%).

Fintech and Research

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

Fintech and Research revenues grew by 12.0% to £22.3m (FY22: £19.9m), driven by ongoing software adoption and demand for ratings.

In 2023 we further enhanced our Fintech and Research capabilities, accelerating deployment of our proprietary financial planning software, and expanding our research and ratings platform, including the launch of new Star and Diamond Ratings for enterprise and investment scheme (“EIS”).

During 2023 Fintel acquired MICAP and AKG contributing combined revenues of £0.7m in product ratings revenue, and gross profit of £0.2m from date of acquisition.

In 2023 the Fintech and Research division delivered:

- software revenue of £10.7m (FY22: £9.5m) – an increase of 11.5%;
- product ratings revenue of £10.1m (FY22: £8.9m) – an increase of 14.1%;
- other income of £1.5m (FY22: £1.5m) from consultancy and ad hoc work; and
- gross profit of £14.2m (FY22: £12.5m) with a gross profit margin of 63.4% (FY22: 63.0%).

Profitability

Adjusted EBITDA remains strong at £20.5m (FY22: £19.4m), increasing by 5.6%.

Our core business delivered a solid adjusted EBITDA margin of 35.7% (FY22: 32.9%).

The resulting adjusted EBITDA margin of 31.5% (FY22: 29.1%) 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 8.6% to £20.2m (FY22: £18.6m). The core adjusted EBITDA is the adjusted EBITDA calculated above excluding the trading results of our non-core property surveying business.

Four-year adjusted EBITDA track record (£m)

£20.5m

+5.6%

Four-year adjusted EBITDA margin progression (£m)

31.5%

+240bps

Financial review continued

Non-underlying adjustments

The operating charge to the income statement in respect of non-underlying items of £6.8m (FY22: £3.4m) includes the following:

- operating expenses of £4.4m, including:
  - £1.8m M&A-related costs – consisting of professional advisory fees on completed and pipeline acquisitions;
  - £1.5m transformation costs – implementation costs to enhance Fintel's customer relationship management ("CRM") platform and a new enterprise resource planning ("ERP") system both of which are targeted to go live in April 2024;
  - £0.7m employee restructuring;
  - £0.4m award related costs;
- amortisation of other intangible assets of £2.2m – relating to intangibles acquired on acquisition of Regulus Topco Limited (owner of Defaqto Limited), Landmark Surveyors Limited, and 2023 acquired entities: Competent Advisor, VouchedFor, AKG and MICAP; and
- impairment on disposal of operations of £0.2m relating to contingent consideration recognised in respect of the disposed Verbatim funds.

No other costs have been treated as non-underlying.

Share-based payments

Share-based payment charges of £1.5m (FY22: £1.3m) have been recognised in respect of the options in issue and include the IFRS 2 cost of the new long-term growth incentive plan issued on 18 August 2023.

Financial income and expense

Finance income of £0.3m (FY22: £nil) relates to interest earned on surplus cash on short term deposits.

Finance expenses of £0.8m (FY22: £0.5m) includes interest costs on the drawn portion of the RCF, interest on leasing arrangements and the commitment fee for the unutilised facility. Of the seven acquisitions across 2023 and this year to date, four were entirely funded through cash reserves, while the initial consideration for VouchedFor and Synaptic Software involved partial debt financing.

Financial results

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Group revenue	**64.9**	66.5
Expenses	**(44.4)**	(47.1)
Adjusted EBITDA	**20.5**	19.4
Adjusted EBITDA margin %	**31.5%**	29.1%
Depreciation	**(0.4)**	(0.3)
Depreciation of leased assets	**(0.4)**	(0.4)
Amortisation of development expenditure and software	**(1.3)**	(1.1)
Adjusted EBIT	**18.4**	17.6
Operating costs of an exceptional nature	**(4.4)**	(0.7)
Impairment on sale of operations	**(0.2)**	(0.7)
Share option charges	**(1.5)**	(1.3)
Amortisation of other intangible assets	**(2.2)**	(2.0)
Net finance costs	**(0.5)**	(0.5)
Profit before tax	**9.6**	12.4
Taxation	**(2.2)**	(2.3)
Profit after tax	**7.4**	10.1
Adjusted earnings per share* ("EPS")	**12.2**	12.2

* 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.

Taxation

The rate of corporation tax applicable for 2023 is a blended average rate of 23.5% following the corporation tax rate change in April 2023 to 25%. The underlying effective tax rate of 20.7% for the period (FY22: 19%) includes the estimated 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.£2.8m in corporation taxes evenly throughout the year.

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 (FY22: 12.2 pence per share). Statutory earnings per share in the period amounted to 6.8 pence per share (FY22: 9.5 pence per share).

Cash flow and closing cash position

At 31 December 2023 the Group reported a robust liquidity position, featuring a total cash balance of £12.7m, £1.7m net of debt (FY22: £12.8m), and substantial headroom in the £80m revolving credit facility with £69m undrawn.

Net cash to adjusted EBITDA ratio is 0.1 times at FY23 (FY22: 0.7 times).

Underlying operating cash flow conversion was strong at 88% (FY22: 118%), despite a significant increase in development expenditure of £4.5m (FY22: £1.7m). This is 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.

Financial review continued

Cash flow and closing cash position continued

The Group's significant capitalised development expenditure, M&A and transformation costs impact the Group's cash generation.

Underlying operating cash conversion (%)

88%

Acquisitions

Investments in four acquisitions were made in the year of £13.3m (net of cash acquired of £1.8m and including acquisition costs). Upfront consideration of £15.1m for these four acquisitions was funded by £8.6m from cash reserves and £6.5m from the Group's £80m revolving credit facility. Deferred and business performance contingent consideration payable over the next three years is capped at £12.5m.

Subsequent to the year end, a further investment of £6.4m was made in a further three companies and was funded by cash reserves and existing drawings on the RCF facility.

Details of all the acquisitions are given on pages 18 to 19 of the Strategic Report and in note 20 to the Financial Statements.

Capital allocation

The Group's priority is to strike a balance between sustaining the core business, pursuing growth through acquisitions and delivering value to shareholders. Strategic initiatives include organic investment in enhancing and broadening our product offering; and inorganic investment, such as strategically aligned acquisitions. The Group manages its capital structure through regular review by the Board ensuring alignment with the Group's objectives and responsiveness to changing market conditions. 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 FY22 of £2.3m, and an interim dividend in respect of FY23 of £1.1m. The Board is proposing a full year dividend in respect of FY23 of 3.45 pence, an increase of 6.2% on the FY22 dividend of 3.25 pence. The proposed final dividend of 2.35 pence (FY22: 2.25 pence) reflects the Group's strong business performance and cash generation during the year. The dividend is payable on 19 June 2024, to shareholders on the register on 24 May 2024 with an ex-dividend date of 23 May 2024, subject to shareholder approval at the Company's annual general meeting.

Dividend (pence per share)

3.45p

+6.2%

Accounting policies

The Group's consolidated financial information has been prepared consistently in accordance with UK-adopted International Accounting Standards ("UK-adopted IAS"). The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023. Their adoption is not expected to have a material effect on the financial statements.

Going concern

The Directors have undertaken a comprehensive assessment to consider the Group's ability to trade as a going concern for a period of 18 months to 30 September 2025.

The Directors have robustly tested the going concern assumption in preparing these financial statements, considering a number of severe but plausible downside scenarios, which would collectively be considered remote. The Group continues to enjoy robust cash generation and maintains a strong liquidity position at 31 December 2023 and the Directors remain satisfied that the going concern basis of preparation in the financial statements is appropriate.

On the basis of the Group's current and forecast profitability and cash flows, and the availability of committed funding, the Directors consider and have concluded that the Group 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
18 March 2024

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 42 to 44. A strategic review of principal risks will be conducted in 2024, taking into consideration the evolving risk profile of the business following recent acquisitions and wider market changes.

Risk management framework

The diagram below illustrates examples of how we manage risk across the organisation. We continue to adopt a cycle of review and improvement of our structures and will further develop our risk capabilities as required, as the Group develops.

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

Audit Committee
- Provides advice and challenge to the Board
- Considers requirement for internal audit

Risk Committee
- Sets and manages overall risk exposure
- Assesses effectiveness of the risk framework and internal controls

Enterprise Risk and Business Performance steering group
- Develops and supports execution of enterprise risk management process
- Monitors implementation principal risk response plans
- Monitors divisional risk exposure

Leadership team
- Receives reports from business units and makes reports and recommendations to the ERBP
- Oversight of implementation of divisional risk response plans

Business units
- Accountable for divisional risk management and improvements

→ Reports for evaluation

→ Directs and monitors

Risk management report continued

Risk description	Mitigating actions	Impact potential	Change
Financial shock outside the Group'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 Group.	– Fintel has a high proportion of recurring and SaaS and subscription-based revenues – Fintel's diverse customer base and proposition provide resilience to market headwinds – The Board regularly reviews the financial markets for trends and deploys and amends its resources based on these assessments	Significant	Risk increased We continue to closely observe closely the risks associated with ongoing inflation peaks and resulting cost pressures, the developing financial risk in the global banking sector, and the revised tax structure of the UK.
Data integrity and cyber security			
There is a risk to the Group 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 Group, this is done under contractual arrangements – A cross-subsidiary technology governance team regularly monitors the data security and cyber risks	Significant	Risk increased 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.
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 Group 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 – Revenue streams are well diversified – Regular reviews of perimeter guidance to understand the potential for any services of the Group to become regulated activity – A cross-subsidiary working group conducts ongoing assessment of regulatory threats	Moderate	No change We continue to develop a number of support and technology services aligned to new and forthcoming regulation and will continue evolving our offering in this area. The FCA Advice Guidance Boundary Review is being closely monitored due to the impacts both as an opportunity and a risk.

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 Group'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 Group-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 we remain competitive in the face of inflation. We implemented further benefit and policy enhancements aligned to our desire to be known as a "world class" three-star rated Best Companies employer. We conduct annual reviews of leadership succession plans and development plans for successors, as well as an annual appraisal process aligning the bonus structure with performance.
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	Moderate	Risk reduced We refreshed our Defaqto subsidiary brand in 2023 with a view to implement strengthened brand identities for other subsidiaries throughout 2024. Further integration controls are in place with Fintel IQ to ensure each subsidiary has the correct governance structure in place.
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 Group's visibility of emerging climate threats	Low	No change Initial analysis of transition and physical risks, as well as opportunities resulting from climate change, has been conducted in line with TCFD recommendations, with no significant risks identified. Specific regulations from the FCA including the Sustainability Disclosure Requirements are being monitored due to potential market impacts and opportunities. The Board closely monitors emerging risks in this area.

No change   Risk reduced   Risk increased

Risk management report continued

Risk description	Mitigating actions	Impact potential	Change
Loss of key partners			
If the Group's relationship with these partners terminates and we are unable to replace those partners, the financial condition of the Group 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	Low	Risk reduced Fintel continues to focus on replacing short-term, annual contracts with longer-term multi-year contracts at renewal, regularly engaging with key partners at a strategic level to ensure alignment with their business model and priorities.
Competition			
The risk to the Group that a competing business 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 Group benefits from high barriers to entry	Low	Risk reduced 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 implemented throughout 2023 and into 2024. A number of working groups across Fintel are investigating and assessing the impact that Artificial Intelligence ("AI") may have on our business and the UK retail financial services sector.

No change | Risk reduced | Risk increased

Viability statement

Supported by available funding, robust cash flow conversion, and the resilient and consistent performance of our key revenue streams, the Group is able to invest in core activities, organic growth, and complementary mergers and acquisitions.

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 Group 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 Group and carried out a robust assessment of the principal risks and uncertainties facing the Group as outlined on pages 41 to 44 of the annual report, focusing on the future performance, solvency and liquidity of the Group.

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 2024 onwards;
- Scenario 2 – 50% reduction in product provider income from January 2024 onwards;
- Scenario 3 – 33% reduction in mortgage market from January 2024 onwards, affecting mortgage over-ride, valuations and commissions;
- Scenario 4 – 33% reduction in Defaqto Engage revenues from January 2024 onwards;
- Scenario 5 – no growth in Fintech & Research key revenue streams from January 2024;
- Scenario 6 – no further acquisitions completed;
- Scenario 7 – a combination of the above six scenarios with no reactive, preservation measures taken; and
- Scenario 8 – 15.5% reduction in all Group revenue with no reactive, preservation measures taken.

Access to financing

Given the Group's strong cash generation, proven abilities to pay down debt, and significant headroom in the revolving credit facility, the Directors acknowledge that the Group 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 Group to take advantage of the growth opportunities in the markets in which the business operates and how the Group 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 Group's prospects

The Directors' assessment of the Group'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 Group over the three-year assessment window.

Viability statement

Based upon this assessment, the Directors confirm that they have reasonable expectation that the Group 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

Phil Smith

Non-Executive Chair

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 the UK, Continental Europe, the 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.

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

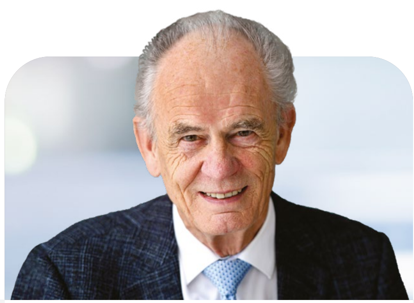
Current external commitments:

- 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



Ken Davy

Non-Executive Director
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

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.

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:

- None

Previous roles:

Former Partner at Park Place Corporate Finance, 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.

Russell Naglis

General Counsel
Appointed to the role: February 2024

E

Key strengths and qualifications:

- Extensive experience providing legal advice to boards of growing companies
- Significant international M&A experience
- Qualified as a solicitor in England and Wales
- Experience as an in-house lawyer at a leading mid-market private equity fund

Current external commitments:

- Chair of governors at Woodkirk Academy

Previous roles:

M&A lawyer at Eversheds Sutherland (International) LLP including a 12-month secondment to the in-house legal team of Inflexion Private Equity Partners LLP.

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 core skills

Technology/software: ●●●●●●●

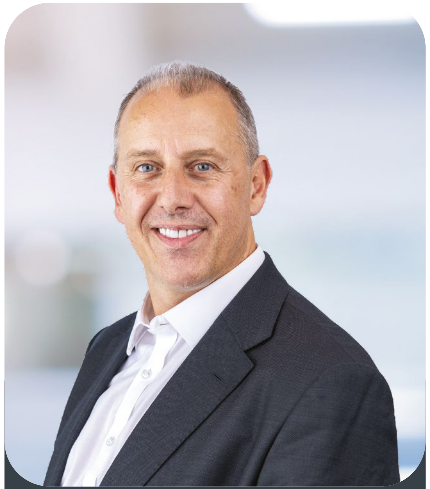
Financial services: ●●●●●●

Prior PLC experience: ●●●●●●

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

Corporate governance report

Committed to ensuring sound governance arrangements



Phil Smith
Non-Executive Chair

Chair's introductory statement

An ethical, values driven culture and robust governance underpin both our corporate ethos and decision-making, and were paramount in enabling us to execute our growth strategy during 2023. In line with our strategic objectives we sustained growth across our core activities, launching new Consumer Duty solutions, and expanding our Star Ratings portfolio. We also invested organically into our future technology and research offerings with the enhancement of two of our key proprietary software solutions, and inorganically, taking advantage of market conditions to complete four acquisitions. Alongside this we continued to refine and embed our ESG activities, strengthening our purpose and market position. In my role as Chair, and in accordance with our governance framework, I ensured each of these matters and key activities were considered carefully by the Board. All decisions were made effectively and efficiently, taking full account of the requirements of our many stakeholders whilst considering our strategy, goals and vision to create better outcomes for all.

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 FY23. 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 pages 49 and 50. 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:

- review of the Group's dividend policy and dividend allocation;
- ongoing evolution of our strategy and digitisation programme;
- approval of the 2023 Gender Pay Gap report;
- approval of new Company policies, including an Equity, Diversity and Inclusion policy, an Environmental policy and a Charitable and Political Donations policy; and
- nomination and appointment of Phil Smith as a Non-Executive Chair.

An ethical, values driven culture and robust governance underpin both our corporate ethos and decision-making, and were paramount in enabling us to execute our growth strategy during 2023."

Corporate governance report continued

QCA Code 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.

→ See our strategy on pages 16 to 19

→ See the business model on page 12

Principle 2: 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 our shared attributes and ways of working, including a recent series of workshops conducted to embed the new Defaqto values.

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 21 and 22

Principle 3: 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;
- retail investor presentations and recordings posted on the Company website;
- our annual general meeting ("AGM"); 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.

→ See the Section 172 statement on pages 13 to 15

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

Principle 4: 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.

The Company places significant importance on social engagement and has a clear understanding that the conduct of both the Company and its employees requires vigilant monitoring.

→ A detailed report on how the Company has taken into account both immediate and wider stakeholders can be found in the ESG and Wellbeing Committee report on pages 53 to 54 and in the Section 172 statement outlined on pages 13 to 15 respectively

Principle 5: Embed effective risk management, internal controls and assurance activities, 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.

→ The Company's approach to risk management can be found on pages 41 to 44 and to management of climate-related risks on page 33

Principle 6: Maintain the Board as a well-functioning, balanced team led by the Chair

The Company Board is comprised of three Executive Directors and four Non-Executive Directors ("NEDs") (including the Chair).

In the 2023 AGM, Phil Smith was appointed as the Chair of the Company and Ken Davy stepped down and now holds the role of a NED.

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.

→ 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 50 and 51

Principle 7: Maintain governance structures and processes that are fit for purpose and support good decision making by the Board

The Chair leads the Board, ensuring its governance structures, performance, and effectiveness.

The Board has also established an Audit Committee, Remuneration Committee, Nomination Committee and ESG and Wellbeing Committee; the authorities and responsibilities of each Committee are derived from their terms of reference, which are reviewed and updated on a yearly basis. From time to time, separate committees may be set up by the Board to consider and address specific issues if and when the need arises.

The skill sets of each Director are reviewed during the Board performance evaluation process and updated as necessary through additional training. Further details of the performance review process can be found in Principle 8 of these disclosures.

→ Details on the Company's governance structure and Board Committees can be found on the website and on pages 48 to 52

Principle 8: Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

The annual internal evaluation of the Board is conducted through a comprehensive self-evaluation questionnaire, providing a valuable tool to assess the Board's effectiveness across various dimensions.

Key focal points include evaluating Board composition and expertise, its role in setting strategy, and understanding of Company risks and the efficacy of Board Committees.

No significant issues that require improvement are highlighted. However, with the Company's continuous growth in scale and size, this remains a key area of focus. The Board is actively considering the enhancement of its annual internal evaluation process, aiming to refresh the Board performance questionnaire in FY24.

→ See the Nomination Committee report on pages 57 to 58

Corporate governance report continued

QCA Code compliance summary continued

Principle 9: Establish a remuneration policy which is supportive of long-term value creation and the Company's purpose, strategy and culture

The Board views the effective use of remuneration as a key a key contributor to the Company's purpose, business model, strategy, and culture.

→ Details of the Company's remuneration policy, as well as the responsibilities and actions of the Remuneration Committee can be found on the website and on pages 59 to 61

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

The Company places a strong emphasis on the standards of good corporate governance and maintaining an effective engagement with its shareholders and key stakeholders, which it considers to be integral to longer-term growth and success.

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).

The Company's reports, presentations and notices of AGMs are made available on the website, as are the results of voting at shareholder meetings.

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

Board meeting attendance

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

Name	Feb	Mar	Apr	May	Jun	Jul	Sep	Oct	Nov	Dec	Summary
Phil Smith	●	●	●	●	●	●	●	●	●	●	100%
Ken Davy	●	●	●	●	●	●	●	●	●	●	100%
Imogen Joss	●	●	●	○	●	○	●	●	●	●	80%
Tim Clarke	●	●	●	●	●	●	●	●	●	●	100%
Matt Timmins	●	●	●	●	●	●	●	●	●	●	100%
Neil Stevens	●	●	●	●	●	●	●	●	●	●	100%
David Thompson	●	●	●	●	●	●	●	●	●	●	100%

● Attended ○ Did not attend — Not applicable

Board meetings and attendance

The Board typically meets nine times throughout the financial year and as required on an ad hoc basis. During 2023, the Board met formally 10 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 46 and 47. 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 Ken Davy) to be independent.

Corporate governance report continued

Audit Committee

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

● Attended ○ Did not attend – Not applicable

Remuneration Committee

Name	7 meetings						
Imogen Joss	●	●	○	●	●	●	●
Phil Smith	●	●	●	●	●	●	●
Tim Clarke	●	●	●	●	●	●	●

Nomination Committee

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

ESG and Wellbeing Committee*

Name	4 meetings			
Imogen Joss	●	●	●	○
Matt Timmins	●	●	●	●

* Employee members of the Committee are also in attendance at the Committee meetings. Their profiles can be found on pages 46 and 47.

Board composition and skills continued

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.

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

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.

The Board Committees

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

Audit Committee

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.

Remuneration Committee

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 59 to 61 for further details on the Committee's activities.

Corporate governance report continued

The Board Committees continued

Nomination Committee

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.

ESG and Wellbeing Committee

The ESG and Wellbeing Committee, chaired by Imogen Joss, is responsible for assisting the Board in defining the Company's approach to ESG and monitoring the effectiveness of the ESG strategy and its implementation. The Committee, which meets at least twice a year, ensures that the Company's ESG strategy is consistent with its purpose, culture and values, whilst also supporting its long-term, sustainable success.

The Committee is comprised of Imogen Joss as Chair, along with Matt Timmins (Joint Chief Executive Officer), 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 2023 can be found on pages 53 and 54 of this report

Relations with shareholders

The Company engages regularly with its shareholders through a variety of channels, including 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. During these meetings, they provide comprehensive presentations on the Company's results, articulate strategic initiatives and offer updates on the Company's progress.

As we strive to improve and develop, we remain dedicated to transparent communication, accountability, and responsiveness to the needs and expectations of our stakeholders. This commitment highlights our belief in the importance of maintaining strong, collaborative partnerships for the sustained success and growth of the Company.

→ Further information on what the Board does to engage with our shareholders and other stakeholders is set out on pages 14 and 15

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 16 to 19. 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 41 to 44.

Risk management and internal controls

The Board has ultimate responsibility for overseeing the Company's internal control system and evaluating its efficiency. It is important to note that while such a system can provide reasonable assurance, it cannot provide absolute protection against material misstatements or losses.

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. The Board and the Audit Committee receive regular updates on the performance of these controls.

The Board maintains full oversight over the Company's budget and engages in a rigorous quarterly review process to gain a transparent understanding of the Company's performance throughout the financial year.

The Board affirms that the existing internal controls are apt and effective for the Company's needs. At present, the Board deems it unnecessary to establish an internal audit function given the current stage of the Company's development. Nevertheless, the Audit Committee regularly reviews this decision, acknowledging the dynamic nature of the Company's growth and operational landscape.

→ Further information on what the Board does to manage risk is set out on page 41

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.

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, is the Company's Whistleblowing Officer, and a policy is in place to enable concerns to be raised with her (or an external party if required) whilst ensuring the protection of the individual raising the concern.

Phil Smith
Non-Executive Chair

ESG and Wellbeing Committee report

Developing a strategic roadmap to sustainable and responsible growth

Imogen Joss
Chair of the ESG and Wellbeing Committee

The ESG and Wellbeing Committee is responsible for ensuring that the Company has an appropriate ESG strategy in place that is consistent with the Company's purpose, culture and values, supporting its long-term sustainable success."

On behalf of the Board, I am pleased to present the ESG and Wellbeing Committee report for FY23.

Formed in 2022, the ESG and Wellbeing Committee is responsible for ensuring that the Company has an appropriate ESG strategy in place that is consistent with its purpose, culture and values, supporting its long-term sustainable success. The Committee also monitors the effectiveness of the ESG strategy and its implementation, ensuring that interests of key stakeholders are taken into consideration.

During the year the Committee focused on embedding ESG principles into the Company's operations. We established an even stronger foundation with launch of three new policies, focused on increasing awareness and engagement across all levels of the organisation and expanded our data and KPIs, enabling more precise tracking, reporting and improvement of our ESG performance. This comprehensive approach has strengthened our commitment to responsible business practices and operational excellence. Further information on the progress made against our ESG strategy and goals is set out on pages 23 to 31.

Duties

The main duties of the ESG and Wellbeing Committee are highlighted on page 32 and are more fully set out in its terms of reference which are available at: www.wearefintel.com/investors/directors-responsibilities/.

The Committee met four times during the year and attendance at those meetings is shown on page 51 of the Corporate governance report. The key matters considered by the Committee in FY23 included:

- review and approval of the FY22 ESG report;
- review and approval of 2023 ESG goals and focus;
- review and approval of the Committee report to the accounts;
- selection and monitoring of key performance indicators;
- assessment of progress made against the ESG goals;
- assessment of the Company's ESG maturity; and
- approval of renewal of Progress Together membership.

Imogen Joss
Chair of the ESG and Wellbeing Committee

ESG and Wellbeing Committee report continued

Comprehensive ESG governance

Fintel Board of Directors
- Sets overarching ESG strategy and objectives
- Ensures integration of ESG considerations into corporate strategy and risk management

ESG and Wellbeing Committee
- Sets overarching ESG strategy and objectives
- Ensures integration of ESG considerations into corporate strategy and risk management

Executive management
- Embeds ESG considerations into business operations and decision-making processes
- Allocates resources for ESG initiatives and ensures alignment with overall business objectives

Fintel stakeholders
- Input into ESG priorities
- Feed back on Fintel's impact and practices

ESG team
- Facilitates ESG strategy implementation
- Defines and recommends activities and programmes
- Prepares ESG reports and disclosures
- Communicates with stakeholders

Business units
- Provide inputs to strategy as business unit experts
- Support implementation

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), and Amber Lippiett and Kate Kwiatkowska (ESG subject matter experts). The Board considers that the members collectively have the balance and skills required to discharge their duties effectively.

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.

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.

Amber Lippiett

Director of Brand

Amber is a creative brand, communications and marketing lead with nearly 20 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.

Audit Committee report

Ensuring integrity and transparency in financial reporting

Tim Clarke
Chair of the Audit Committee

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

On behalf of the Board, I am pleased to present the Audit Committee report for the period ended 31 December 2023.

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, 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 FY22 financial statements, including the receipt of the audit findings;
- assessment of the Committee's composition and members;
- review and approval of the 2023 interim statement, and consideration of an interim dividend;
- approval of an interim dividend that was paid in November 2023;
- consideration of the Independent auditor's report and management representation letter;
- review of going concern;
- review of the risk register, risk management and internal control systems;
- meeting with the external auditor without management present; and
- review of ethical conduct of business policies.

Role of the external auditor

EY was re-appointed as the Company's auditor at the 2023 annual general meeting.

The re-appointment of EY for the financial year ending 31 December 2024 will be subject to approval by shareholders at the next annual general meeting of the Company to be held in 2024.

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 Committee report continued

Audit process

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

Internal audit

At present the Company does not have 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 49 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, to further bolster the Company's approach to risk management, decided to carve out a dedicated Risk Committee, with a delegated authority to set and manage overall risk exposure and assess the effectiveness of the risk framework and internal controls from 2024.

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 2023 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, which has included the judgements made relating to acquisitions made in the year, 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

Planning for long-term sustainable growth

Imogen Joss
Chair of the Nomination Committee

Recognising, developing and retaining talent within the Company are essential for the continued sustainability of the business.”

I am pleased to present the Nomination Committee report for FY23.

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, 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 three times during the year and attendance at those meetings is shown on page 51 of the Corporate governance report.

Matters considered by the Committee in FY23 included the following material items:

- the appointment of Phil Smith as Ken Davy's successor as Chair of the Board;
- the succession planning for the Executive Committee;
- assessing the composition of the Board, including in relation to the Committee Chair and membership;
- reviewing the time commitment from the Non-Executives and determining this was satisfactory; and
- considering and approving the Committee report to the accounts.

Ken Davy remains as a Non-Independent Director following his retirement as Chair of the Board.

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 six male Directors. Further information on the skills and backgrounds of individual Directors can be found in the Board biography section on pages 46 and 47 of this annual report.

As at the end of the FY23, senior leadership, comprising the Executive Committee and its direct reports, excluding administrative assistants, consists of 16 females and 27 males, meaning a 37% 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 FY23

There were no appointments to the Board in 2023.

Resignations from the Board during FY23

There were no resignations from the Board in 2023.

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 Board's composition undergoes an annual review by the Committee to guarantee a well-rounded blend of skills, experience, and knowledge. This evaluation ensures 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.

Currently, the Board includes three Independent Directors: Tim Clarke, Phil Smith, and me as the 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 was a Director until 31 March 2023. 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 FY23. 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 46 and 47.

Imogen Joss
Chair of the Nomination Committee

Remuneration report

Nurturing excellence through strategic compensation

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."

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 and I were members of the RemCo. The RemCo met seven times during the year and the attendance at those meetings is shown on page 51. 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 person 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 policy, as previously approved, remains unchanged. The Remuneration Committee will be conducting a comprehensive review of the remuneration policy during FY24.

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 pages 60 and 61.

Activity during the year:

- considered the use of long-term incentive plans and considered staff engagement more broadly;
- reflected ESG 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 FY22 annual report and accounts;
- reviewed the financial and strategic FY23 bonus metrics and targets;
- considered and implemented cost of living arrangements for all employees across the Group;
- considered and implemented a Growth Share Plan; and
- discussed and considered gender pay gap reporting.

Remuneration report continued

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 2023 are shown in the table on page 61. 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 is limited and tightly controlled.

Bonuses quoted in the table on page 61 refer to performance awards based on the financial year ended 31 December 2023 which were paid in March 2024. For the financial year ended 31 December 2023, the annual bonus award criteria were split 75% in relation to financial performance targets and 25% for the achievement of personal objectives.

The FY24 bonuses have been considered based on measurable financial and non-financial metrics, which are predominantly formulaic. The Remuneration Committee has the ability to exercise discretion as appropriate.

Directors' interests

Details of the Directors' shareholdings are included in the Directors' report on page 62.

Share price

The market price of the Company's shares on 31 December 2023 was 251.5 pence per share. The highest and lowest market prices during the year were 255 pence and 185 pence respectively.

Share options and incentive schemes (audited)

As of 31 December 2023, no current Directors of the Company have shares remaining under option except in relation to the Value Builder and Growth Share plan schemes.

Growth Share Plan

A new Growth Share Plan incentive scheme ("the plan") was implemented on 16 August 2023. The plan seeks to align management and shareholders by incentivising management based on the increase in the market capitalisation of the company over time. A full RNS was issued on 17 August 2023 detailing the mechanics of the plan.

In total, 21 key management employees participated in the plan, including the three plc Directors. The specific award to the plc Directors is shown in the table to the right. Up to 1,000 growth shares were created, for which each individual subscribed for their respective allocation at the Unrestricted Market Value ("UMV"). The award was treated as taxable at the UMV and to avoid additional cash cost to the Company, the participants were required to settle their own payroll taxes in respect of the award, i.e. they suffered a "dry tax charge" on subscription, representing capital at risk as this cannot be returned in the event the scheme hurdles are not met. These growth shares in a subsidiary of the group carry no voting or other rights, save for the participation in value creation over time.

Participation (Number of respective Growth Shares)	Tier 1 B shares	Tier 2 C shares	Tier 3 D shares	Total
2 Joint CEOs	0	190	190	380
CFO	70	82	83	235
18 other management	83	127	124	334
Unissued (retained)	10	20	21	51
	163	**419**	**418**	**1,000**

Measurement of award is based on the following value creation table. At the measurement date on 16 August 2028, the market capitalisation will be compared against the following ladder of award. A market capitalisation at or in excess of £425m on the measurement date will see the full valuation of the plan vest in favour of management, and be settled in Fintel plc shares. It should be noted that Total Shareholder Return has not been used in order to remove the payment of dividends in the performance period counting towards the value creation amount. In other words, the value created must be in excess of dividends paid to existing shareholders in the performance period.

Tier	Market capitalisation at end of performance period	Proportion of Shareholder Value tranche distributed in Value Pot	Total number of Growth Shares in Growth Share class
Tier 1	Between £275m and £300m	8%	163 B Shares
Tier 2	Between £300m and £400m	15%	419 C Shares
Tier 3	Between £400m and £425m	20%	418 D Shares

A further 400 plan shares have been created, being 1,400 in total, to allow future flexibility of the scheme and will be considered by the Remuneration Committee for future award.

The Remuneration Committee is committed to extending growth opportunities deeper into the Group, rather than confining them to the executive level.

Remuneration report continued

Pension contributions (audited)

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

Non-Executive Directors

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

Directors' emoluments table (audited)

Role	Name	Salary received 2023 £000	Contractual salary 2023 £000	Benefits 2023 £000	Bonuses 2023 £000	Employer's pension 2023 £000	Total emoluments 2023 £000	Total emoluments 2022 £000
Non-Executive Chair	Phil Smith*	66	75	—	—	—	66	37
Executive	Neil Stevens	327	327	15	122	5	469	494
	Matt Timmins	327	327	15	122	5	469	494
	David Thompson	286	286	8	107	5	406	404
Non-Executive	Tim Clarke	65	65	—	—	—	65	65
	Imogen Joss	65	65	—	—	—	65	65
	Ken Davy**	83	55	—	—	—	83	110

* Phil Smith received remuneration on a pro-rata basis throughout FY23 following his appointment as Chair in May 2023.

** Ken Davy received remuneration on a pro-rata basis throughout FY23 due to stepping down as Chair in May 2023.

Growth Share Plan***

Name	Growth Share Plan value 2023 £000	Growth Share Plan value 2022 £000
Neil Stevens	286	0
Matt Timmins	286	0
David Thompson	323	0

***The Growth Share Plan represents the Unrestricted Market Value of the award. This was taxable as income and the three plc Directors paid collectively £427,000 in payroll taxes to offset this liability incurred by the Company on issue of the awards. These amounts are not refundable should the incentive plan hurdles not be met, and therefore represent additional capital at risk for the plc Directors.

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 2023. 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 45) and the Corporate governance report (found on pages 46 to 63) 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 94 and 95.

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 37 to 40) report on the performance of the Group during the year ended 31 December 2023 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:

Phil J Smith
Matt L Timmins
Neil M Stevens
David Thompson
Ken E Davy
Tim P Clarke
Imogen M Joss

Directors' shareholdings (audited)

The Directors who held office at 31 December 2023 had the following interests in the shares of the Company as at 31 December 2023:

	Number of Ordinary Shares held	Percentage of issued Ordinary Share capital
KE Davy*	26,137,774	25.17%
ML Timmins**	3,911,079	3.77%
NM Stevens	3,825,000	3.68%
PJ Smith	81,214	0.08%
D Thompson	50,000	0.05%
IM Joss	36,000	0.03%
TP Clarke	25,152	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 2023, 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	25.17%
Liontrust Asset Management	11,302,270	10.88%
Gresham House Asset Management	11,241,936	10.83%
Slater Investments	10,424,079	10.04%
Rathbones Investment Management	5,270,629	5.08%
FIL Investments International	4,881,710	4.70%
ML Timmins**	3,911,079	3.77%
NM Stevens	3,825,000	3.68%
Franklin Templeton Investments	3,300,000	3.18%

* 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 and adjustments are 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.

To strengthen this commitment, the Company signed up to the Government's Disability Confident employer scheme in 2023.

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.

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 35.

Directors' report continued

Annual general meeting

The annual general meeting of the Company is to be held on 21 May 2024. 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 2023 of 3.45 pence per share, representing a year on year increase of 6%. Following an interim dividend payment of 1.1 pence per share in November 2023, a final dividend of 2.35 pence per share would be payable on 19 June 2024 to shareholders on the register on 24 May 2024 with an ex-dividend date of 23 May 2024, subject to shareholder approval at the AGM.

Health and safety

The wellbeing of our employees is of utmost importance to us. Given that a significant portion of our workforce is primarily desk based, we carry out regular health and safety training and assessments. 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

The Strategic report provides an indication of probable future developments within the business and particulars of significant events which have occurred since the end of the financial year.

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 2023 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
18 March 2024

ML Timmins
Director
18 March 2024

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's 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 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 18 March 2024, and signed on its behalf below.

By order of the Board

NM Stevens
Director
18 March 2024

ML Timmins
Director
18 March 2024

Independent auditor's report

to the members of Fintel 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 2023 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 2023 which comprise:

Group	Parent company
Consolidated statement of financial position as at 31 December 2023	Company statement of financial position as at 31 December 2023
Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2023	
Consolidated statement of changes in equity for the year then ended 31 December 2023	Company statement of changes in equity for the year then ended 31 December 2023
Consolidated statement of cash flows for the year then ended 31 December 2023	
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 2025. 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 5 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 consistent 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

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.
- 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 on 31 December 2023 the group had cash and cash equivalents of £12.7m, with net cash of £1.7m, in addition to undrawn committed facilities of £69m, from the £80m facility, 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 the period to 30 September 2025.

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 9 full scope components and audit procedures on specific balances for a further 6 components. – The components where we performed full or specific audit procedures accounted for 96% of Profit before tax, 98% of Revenue and 99% of Total assets.
Key audit matters	– 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. – Risk of inappropriate valuation of acquired intangibles resulting from business combinations within the year, which is a new key audit matter from the prior year.
Materiality	– Overall group materiality of £0.7m 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 28 reporting components of the Group, we selected 15 components covering entities within the United Kingdom which represent the principal business units within the Group.

Of the 15 components selected, we performed an audit of the complete financial information of 9 components ("full scope components") which were selected based on their size or risk characteristics. For the remaining 6 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

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 96% (2022: 98%) of the Group's profit before tax adjusted for non-recurring items, 98% (2022: 99%) of the Group's Revenue and 99% (2022: 100%) of the Group's Total assets. For the current year, the full scope components contributed 85% (2022: 89%) of the Group's profit before tax adjusted for non-recurring items 90% (2022: 94%) of the Group's Revenue and 96% (2022: 97%) of the Group's Total assets. The specific scope components contributed 11% (2022: 9%) of the profit before tax adjusted for non-recurring items, 8% (2022: 5%) of the Group's Revenue and 4% (2022: 3%) of the Group's Total assets. The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the Group.

Of the remaining 13 components that together represent 4% (2022: 2%) of the Group's profit before tax adjusted for non-recurring items, none are individually greater than 1.5% of the Group's profit before tax adjusted for non-recurring items. For these components, we performed other procedures, including analytical review and obtaining external confirmation of cash balances held within those components, to respond to any potential risks of material misstatement to the Group financial statements.

Changes from the prior year

We note there has been a change from the prior period in relation to the newly acquired business' in the year, of which 3 were noted to be 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 15 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 the climate related risks explained on pages 32 to 34 in the Task Force for Climate related Financial Disclosures and on page 43 in the principal risks and uncertainties. They have also explained their climate commitments on pages 24 to 36. 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.

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 43 and whether these have been appropriately reflected in the financial statements. 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.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

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

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 55 and 56); Accounting policies (page 79); and note 5 of the Consolidated Financial Statements (page 86) In 2023 the group reported total revenue of £64.9m (2022: £66.5m). 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 £1.5m (2022: £1.3m) of accrued income and £8.6m (2022: £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 98% 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 2.7 (Revenue recognition) We performed full and specific scope audit procedures over this risk area in 15 locations, which covered 98% of the risk amount.	Based on the procedures performed we consider the recognition of revenue to be appropriate for the year ended 31 December 2023. We did not identify any material misstatements due to inappropriate revenue recognition.

Independent auditor's report continued

to the members of Fintel 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 55 and 56); Accounting policies (page 82); and note 18 of the Consolidated Financial Statements (page 93).
 	
The Research and Fintech CGU has associated goodwill of £53.0m (2022: £48.0m) as at 31 December 2023.
 	
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 2023. 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 have then considered whether the acquisitions made in the year have been allocated to the appropriate CGU.
	
	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

Key audit matters continued

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Risk of Inaccurate valuation of goodwill and acquired intangibles resulting from business combinations within the year. Refer to the Audit Committee Report (page 55 and 56); and Note 20 of the Consolidated Financial Statements (page 96). In the year, the Group has completed four acquisitions with initial consideration of £15.1m, with future deferred and contingent consideration of up to £13.6m. We focused on this area given the Group has recognised goodwill (£16.7m) and acquired intangible assets relating to technology (£3.0m), customer relationships (£1.3m), and brands (£1.0m) as part of the purchase price allocation. Significant judgement can be required when estimating contingent consideration, assessing the fair value of certain acquired assets and liabilities, and assessing the fair values of these intangible assets. These valuations directly impact the amount of goodwill recognised on acquisition and are based on valuation techniques built, in part, on assumptions around the future performance of the businesses.	We walked through the process and controls over the acquisition accounting including the valuation of the acquired intangible assets. Through this we understood management's specialist's process to comply with IFRS 3 Business Combinations and IFRS 13 Fair Value Measurement. With the involvement of an EY business valuation specialist where appropriate, for all acquisitions completed in the year we: – reviewed the Sale Purchase Agreement to understand the key terms including those associated with consideration arrangements; – assessed the reasonableness of the assumptions used in estimating the fair value of the contingent consideration; – tested the acquired assets and liabilities to assess whether they have been recognised and valued appropriately; – evaluated the completeness and existence of intangible assets recognised; – assessed the competence, capabilities, and objectivity of management's specialists; and – assessed the valuation methodologies and key assumptions applied within the models used to calculate the fair values of the identified intangibles. Where we deemed there to be significant judgement or risk associated with either the estimation of contingent consideration, valuation of acquired assets or liabilities, or the valuation of the acquired intangibles we have performed additional procedures. These procedures included: – additional challenge and analysis of the assumptions relating to the valuation of both the contingent consideration and fair value of acquired assets and liabilities; and – developing an independent assessment of the valuation of the acquired intangible assets in conjunction with EY specialists. We considered the completeness appropriateness of the related disclosures in Note 20 in the Group financial statements in line with the requirements of IFRS3.	We concluded that we have assessed the valuation of the contingent consideration and consider Management's estimates to be reasonable. From our procedures over Management's identification and valuation of goodwill and intangible assets, we consider the assets identified and the valuation to be acceptable.

Independent auditor's report continued

to the members of Fintel 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 £0.7m (2022: £0.7m), which is 5% (2022: 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 £1.1m (2022: £1.2m), which is 1% (2022: 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 group's performance materiality.

Starting basis	– Group Profit before tax of £9.6m
Adjustments	– Non-recurring items of £4.6m including: – M&A costs (£1.8m) – Transformation Costs (£1.5m)
Materiality	– Totals £14.2m profit before tax adjusted for non recurring items – Materiality of £0.7m (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% (2022: 75%) of our planning materiality, namely £0.5m (2022: £0.5m). 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.

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 £0.1m to £0.5m (2022: £0.1m to £0.5m).

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 £0.04m (2022: £0.03m), 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 63, 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.

Independent auditor's report continued

to the members of Fintel plc

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.

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 63, 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.

Independent auditor's report continued

to the members of Fintel plc

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

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

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

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

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

Use of our report

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

Mark Morritt (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Leeds
18 March 2024

Consolidated statement of profit or loss and other comprehensive income

for the year ended 31 December 2023

	Note	2023 Underlying £m	2023 Underlying adjustments* £m	2023 Year ended 31 December £m	2022 Underlying £m	2022 Underlying adjustments* £m	2022 Year ended 31 December £m
Revenue	5–6	**64.9**	**–**	**64.9**	66.5	–	66.5
Operating expenses	7–11	**(48.0)**	**(4.4)**	**(52.4)**	(50.2)	(0.7)	(50.9)
Amortisation of other intangible assets	18	**–**	**(2.2)**	**(2.2)**	–	(2.0)	(2.0)
Impairment on disposal of operations	7	**–**	**(0.2)**	**(0.2)**	–	(0.7)	(0.7)
Group operating profit/(loss)		**16.9**	**(6.8)**	**10.1**	16.3	(3.4)	12.9
Finance income	12	**0.3**	**–**	**0.3**	–	–	–
Finance expense	12	**(0.8)**	**–**	**(0.8)**	(0.4)	(0.1)	(0.5)
Profit/(loss) before taxation		**16.4**	**(6.8)**	**9.6**	15.9	(3.5)	12.4
Taxation	14	**(3.4)**	**1.2**	**(2.2)**	(2.9)	0.6	(2.3)
Profit/(loss) for the financial year		**13.0**	**(5.6)**	**7.4**	13.0	(2.9)	10.1
Profit attributable to shareholders:							
Owners of the Company				**7.1**			9.8
Non-controlling interests				**0.3**			0.3
				7.4			10.1
Earnings per share – adjusted (pence)	13			**12.2p**			12.2p
Earnings per share – basic (pence)	13			**6.8p**			9.5p
Earnings per share – diluted (pence)	13			**6.8p**			9.4p

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 2023

	Note	31 December 2023 £m	31 December 2023 £m	31 December 2022 £m	31 December 2022 £m
Non-current assets					
Investments	19	**1.2**		–	
Property, plant and equipment	17	**1.2**		1.2	
Lease assets	17	**2.2**		2.2	
Intangible assets and goodwill	18	**118.2**		95.2	
Trade and other receivables	21	**1.5**		1.6	
Total non-current assets			**124.3**		100.2
Current assets					
Trade and other receivables	21	**10.2**		10.6	
Current tax asset		**–**		0.4	
Cash and cash equivalents	22	**12.7**		12.8	
Total current assets			**22.9**		23.8
Total assets			**147.2**		124.0
Equity and liabilities					
Equity					
Share capital	27	**1.0**		1.0	
Share premium account	27	**67.0**		66.8	
Other reserves	29	**(50.0)**		(51.3)	
Retained earnings		**84.6**		80.8	
Equity attributable to the owners of the Company			**102.6**		97.3
Non-controlling interest			**0.3**		0.5
Total equity			**102.9**		97.8
Liabilities					
Current liabilities					
Trade and other payables	23	**20.9**		18.6	
Lease liabilities	25	**0.4**		0.4	
Total current liabilities			**21.3**		19.0
Non-current liabilities					
Loans and borrowings	24	**10.7**		–	
Other payables	23	**5.1**		–	
Lease liabilities	25	**1.5**		1.8	
Deferred tax liabilities	26	**5.7**		5.4	
Total non-current liabilities			**23.0**		7.2
Total liabilities			**44.3**		26.2
Total equity and liabilities			**147.2**		124.0

These financial statements were approved by the Board of Directors on 18 March 2024 and were signed on its behalf by:

David Thompson
Director

Company statement of financial position

as at 31 December 2023

The accompanying notes form part of the financial statements.

	Note	31 December 2023 £m	31 December 2023 £m	31 December 2022 £m	31 December 2022 £m
Non-current assets					
Investments	19	**125.5**		124.0	
Trade and other receivables	21	**1.3**		0.4	
Total non-current assets			**126.8**		124.4
Current assets					
Trade and other receivables	21	**–**		0.1	
Cash and cash equivalents	22	**5.6**		0.1	
Total current assets			**5.6**		0.2
Total assets			**132.4**		124.6
Equity and liabilities					
Equity attributable to the owners of the Company					
Share capital	27	**1.0**		1.0	
Share premium account	27	**67.0**		66.8	
Retained earnings		**34.3**		38.3	
Other reserves	29	**11.3**		10.0	
Total equity			**113.6**		116.1
Liabilities					
Current liabilities					
Trade and other payables	23	**8.1**		8.5	
Total current liabilities			**8.1**		8.5
Non-current liabilities					
Loans and borrowings	24	**10.7**		–	
Total non-current liabilities			**10.7**		–
Total liabilities			**18.8**		8.5
Total equity and liabilities			**132.4**		124.6

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 £0.7m (2022: loss of £0.5m).

These financial statements were approved by the Board of Directors on 18 March 2024 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 2023

	Share capital £m	Share premium £m	Other reserves £m	Non-controlling interest £m	Retained earnings £m	Total equity £m
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
Balance at 1 January 2023	1.0	66.8	(51.3)	0.5	80.8	97.8
Total comprehensive income for the year						
Profit for the year	–	–	–	0.3	7.1	7.4
Total comprehensive income for the year	–	–	–	0.3	7.1	7.4
Transactions with owners, recorded directly in equity						
Issue of shares	–	0.2	–	–	–	0.2
Dividends	–	–	–	(0.5)	(3.5)	(4.0)
Share option charge	–	–	1.5	–	–	1.5
Release of share option reserve on exercise	–	–	(0.2)	–	0.2	–
Total contributions by and distributions to owners	–	0.2	1.3	(0.5)	(3.3)	(2.3)
Balance at 31 December 2023	**1.0**	**67.0**	**(50.0)**	**0.3**	**84.6**	**102.9**

The accompanying notes form part of the financial statements.

Company statement of changes in equity

for the year ended 31 December 2023

	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Total equity £m
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
Balance at 1 January 2023	1.0	66.8	10.0	38.3	116.1
Total comprehensive loss for the year					
Loss for the year	—	—	—	(0.7)	(0.7)
Total comprehensive loss for the year	—	—	—	(0.7)	(0.7)
Transactions with owners, recorded directly in equity					
Issue of shares	—	0.2	—	—	0.2
Dividends	—	—	—	(3.5)	(3.5)
Share option charge	—	—	1.5	—	1.5
Release of share option reserve upon exercise	—	—	(0.2)	0.2	—
Total contributions by and distributions to owners	—	0.2	1.3	(3.3)	(1.8)
Balance at 31 December 2023	**1.0**	**67.0**	**11.3**	**34.3**	**113.6**

The accompanying notes form part of the financial statements.

Consolidated statement of cash flows

for the year ended 31 December 2023

	Note	**Year ended 31 December 2023 £m**	Year ended 31 December 2022 £m
Net cash generated from operating activities	30	**12.5**	15.6
Cash flows from investing activities			
Purchase of property, plant and equipment		**(0.3)**	(0.2)
Development expenditure		**(4.5)**	(1.7)
Finance income		**0.3**	—
Net proceeds from sale of operations		**0.6**	—
Cost of acquisitions net of cash received		**(13.3)**	—
Equity investment		**(1.0)**	—
Loan to equity interest		**(0.6)**	—
Net cash flows used in investing activities		**(18.8)**	(1.9)
Cash flows used in financing activities			
Finance costs		**(0.5)**	(0.2)
Loan drawn/(repaid)		**11.0**	(7.0)
Transaction costs related to borrowing		**—**	(0.5)
Payment of lease liability		**(0.5)**	(0.5)
Issue of share capital		**0.2**	1.2
Dividends paid		**(4.0)**	(3.3)
Net cash flows from/(used in) financing activities		**6.2**	(10.3)
Net (decrease)/increase in cash and cash equivalents		**(0.1)**	3.4
Cash and cash equivalents at start of year		**12.8**	9.4
Cash and cash equivalents at end of year		**12.7**	12.8

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

During the year there were cash outflows of £13.3m (net of cash acquired of £1.8m) in respect of investment in four acquisitions by the Group. Further details can be found in note 20.

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 0.1 million ("£0.1m") except when otherwise indicated.

The Company applied all standards and interpretations issued by the IASB that were effective as of 31 December 2023. 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 2025 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

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023 (unless otherwise stated). Their adoption is not expected to have a material effect on the financial statements unless otherwise indicated.

The following amendments became effective as at 1 January 2023:

- IFRS 17 'Insurance Contracts'
- Definition of Accounting Estimates – Amendments to IAS 8
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
- International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. None of these standards interpretations or amendments are expected to have a material impact on the Group.

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.

Notes continued

(forming part of the financial statements)

2 Accounting policies continued

2.4 Classification of financial instruments issued by the Group continued

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

2.5 Non-derivative financial instruments

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

Classification

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

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

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

Trade and other receivables

Trade and other receivables are 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 determines default rates, which are 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 and subsequently at amortised cost.

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.

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.

Investments in subsidiaries (Company only)

Investments in subsidiaries are carried at cost less impairment.

Notes continued

(forming part of the financial statements)

2 Accounting policies continued

2.6 Going concern

The Board has concluded that it is appropriate to adopt the going concern basis, having undertaken a rigorous review of financial forecasts and available resources. The Directors have concluded that the Group will have sufficient funds to meet its liabilities as they fall due. It is expected that the Group will operate comfortably within its financial loan covenants for the foreseeable future including the 18-month period from the date of approval of the financial statements to 30 September 2025, with significant headroom to draw down if required.

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 1 to 45. 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 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.

At 31 December 2023 the Group reported a strong liquidity position with total cash position of £12.7m, with net cash of £1.7m (2022: £12.8m) and £69m of headroom in the £80m revolving credit facility. The Group reported total net assets of £102.9m as at 31 December 2023 (2022: £97.8m).

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 2023. 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 their fair value or at their proportionate interest in the recognised amount of the identifiable net assets of the acquiree at the acquisition date.

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 7–10 years
- Intellectual property 4–10 years
- Customer relationships 7–9 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 three and five 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 2023 £m	31 December 2022 £m
Cash and cash equivalents	**12.7**	12.8
Trade and other receivables	**10.2**	10.6

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 2023 £m	31 December 2022 £m
Trade and other payables	**20.9**	18.6
Lease liabilities	**1.9**	2.2
Borrowings	**10.7**	–

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

Financial risk management

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

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

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. The Group operates a proactive approach to interest rate volatility. The Group regularly reviews forecast debt, cash and cash equivalents, and interest rates to monitor this risk.

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 2023					
Trade and other payables	**4.1**	**5.1**	**—**	**—**	**9.2**
Lease liabilities	**0.4**	**0.4**	**0.9**	**0.2**	**1.9**
Borrowings	—	—	**11.0**	—	**11.0**
31 December 2022					
Trade and other payables	2.5	—	—	—	2.5
Lease liabilities	0.4	0.4	0.9	0.5	2.2
Borrowings	—	—	—	—	—

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.

Acquisitions

Throughout the year four acquisitions were completed, each introducing additional complexity, judgement, and disclosure requirements.

Acquisitions made during the period have multiple success-based contingent consideration linked to financial performance. The contingent payments have been fair valued at acquisition and revalued at the balance sheet date based on the probability of success of each milestone. Due to the complexities and uncertainties in the arrangements, management judgement has been used in arriving at the fair values. For each acquisition, the fair value of contingent consideration at the acquisition date represents the estimated most likely pay-out based on management's forecast of future trading and performance discounted at the Group's incremental borrowing rate.

In addition, the application of IFRS 3 requires us to identify and recognise the assets acquired and liabilities assumed at their fair value. Judgement and estimation has been applied in identifying and measuring the fair value of separately acquired intangible assets using appropriate valuation methods.

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.

Notes continued

(forming part of the financial statements)

4 Critical accounting estimates and judgements continued

Revenue

In the previous year, a significant judgement was disclosed in relation to the presentation of revenue arising sales of software licences to member firms on a "right to access" basis as principal. Following changes to the underlying contractual arrangements in the year, such sales are now recognised as agent and this is no longer considered to be an area of significant judgement.

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.

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 2023 £m**	Year ended 31 December 2022 £m
Rendering of services	**47.9**	45.4
Commission	**9.3**	11.7
Licence income	**7.7**	9.4
Total	**64.9**	66.5

Timing of transfer of goods or services	**Year ended 31 December 2023 £m**	Year ended 31 December 2022 £m
Products and services transferred at a point in time	**23.3**	26.5
Products and services transferred over time	**41.6**	40.0
Total	**64.9**	66.5

The overall statutory revenue includes £8.3m (FY22: £10.1m) generated from our non-core business, Gateway Surveying Services Limited. Total core revenue amounts to £56.6m (2022: £56.4m).

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 £5.6m, with £0.9m expected to realise thereafter.

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 and Distribution as a service ("DaaS") 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; independent ratings and reviews of 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.

Notes continued

(forming part of the financial statements)

6 Segmental information continued

The tables below present the segmental information.

Year ended 31 December 2023	Intermediary Services £m	Distribution Channels £m	Fintech and Research £m	Admin and support costs £m	Group £m
Revenue	22.4	20.2	22.3	—	64.9
Direct operating costs	(11.5)	(12.6)	(8.1)	—	(32.2)
Gross profit	10.9	7.6	14.2	—	32.7
Administrative and support costs				(12.2)	(12.2)
Adjusted EBITDA					20.5
Operating costs of an exceptional nature					(4.4)
Impairment on disposal of operations					(0.2)
Amortisation of other intangible assets					(2.2)
Amortisation of development costs and software					(1.3)
Depreciation					(0.4)
Depreciation of leased assets					(0.4)
Share option charge					(1.5)
Operating profit					10.1
Net finance costs					(0.5)
Profit before tax					9.6

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)
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 leased assets					(0.4)
Share option charge					(1.3)
Operating profit					12.9
Net finance costs					(0.5)
Profit before tax					12.4

When assessing the trading performance of individual operating segments, central costs have been presented separately. The presentation of gross profit by segment to provides an overview of the trading performance for each operating segment.

Intermediary services includes revenue and costs from acquisitions made during the year of £0.8m and £0.6m, with gross profit contribution of £0.2m. Fintech and research includes revenue and costs of £0.7m and £0.5m, with gross profit contribution of £0.2m. No acquisitions were made in 2022.

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.

Notes continued

(forming part of the financial statements)

7 Operating profit

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

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Depreciation of tangible assets – owned	**0.4**	0.3
Depreciation of leased assets	**0.4**	0.4
Research expenditure	**0.7**	0.6

Underlying adjustments

Underlying adjustments include amortisation of other intangible assets and operating and finance costs of a non-recurring nature.

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Non-underlying costs – operating		
M&A project costs	**1.8**	0.1
Transformation costs	**1.5**	0.5
Restructuring costs	**0.7**	–
Award related costs	**0.4**	–
Impairment on disposal of operations	**0.2**	0.7
Loan refinance costs – operational	**–**	0.1
Non-underlying costs – finance		
Loan refinance costs – finance	**–**	0.1
Other underlying adjustments		
Amortisation of other intangible assets	**2.2**	2.0
Underlying adjustments – before tax	**6.8**	3.5

The operating charge to the income statement in respect of non-underlying items of £6.8m (2022: £3.5m) includes the following:

- operating expenses of £4.4m;
  - £1.8m M&A-related costs – consisting of professional advisory fees on completed and pipeline acquisitions;
  - £1.5m transformation cost – implementation costs to enhance Fintel's customer relationship management platform ("CRM") and a new enterprise resource planning system ("ERP") both of which are targeted to go live in April 2024;
  - £0.7m employee restructuring costs; and
  - £0.4m award related costs;
- amortisation of other intangible assets of £2.2m – relating to intangibles acquired on acquisition of Regulus Topco Limited, owner of Defaqto Limited, Landmark Surveyors Limited, and 2023 acquired entities: Competent Advisor, VouchedFor, AKG and MICAP; for which revenue arising from those acquisitions is included in underlying; and
- impairment on disposal of operations of £0.2m recognised in respect of Verbatim funds.*

No other costs have been treated as non-underlying in the period. The above adjustments have been excluded as they are not considered part of underlying trade.

* In 2021, the Group sold off operations from the wholly owned subsidiary of SimplyBiz Investments Limited. During the year, £0.7 million was received as contingent consideration. An impairment of £0.2m was recorded on the remaining earn-out based on fair value. There are outstanding amounts on the agreement, which has been fair valued at £1.0m, with £0.6m due within the next 12 months.

8 Auditor's remuneration

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Audit of these financial statements	**0.4**	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

Notes continued

(forming part of the financial statements)

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. 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 2023 £m	Year ended 31 December 2022 £m
Operating profit	10.1	12.9
Add back:		
Depreciation (note 17)	0.4	0.3
Depreciation of leased assets (note 17)	0.4	0.4
Amortisation of other intangible assets (note 18)	2.2	2.0
Amortisation of development costs and software (note 18)	1.3	1.1
EBITDA	**14.4**	16.7
Add back:		
Impairment on disposal of operations	0.2	0.7
Share option charge	1.5	1.3
Operating costs (non-underlying) (note 7)	4.4	0.7
Adjusted EBITDA	**20.5**	19.4
Adjusted EBITDA of non-core surveying business	**0.3**	0.8
Core adjusted EBITDA	**20.2**	18.6

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 2023 £m	Year ended 31 December 2022 £m
Operating profit	10.1	12.9
Add back:		
Impairment on disposal of operations	0.2	0.7
Operating costs (non-underlying) (note 7)	4.4	0.7
Amortisation of other intangible assets (note 18)	2.2	2.0
Adjusted operating profit	**16.9**	16.3

Adjusted profit before tax is calculated as follows:

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Profit before tax	9.6	12.4
Add back:		
Impairment on disposal of operations	0.2	0.7
Operating costs (non-underlying) (note 7)	4.4	0.7
Finance cost (non-underlying)	–	0.1
Amortisation of other intangible assets (note 18)	2.2	2.0
Adjusted profit before tax	**16.4**	15.9

Adjusted profit after tax is calculated as follows:

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Profit after tax	7.4	10.1
Add back:		
Impairment of contingent consideration	0.2	0.7
Operating costs (non-underlying) (note 7), net of tax	3.7	0.5
Amortisation of other intangible assets (note 18), net of deferred tax	1.7	1.6
Profit attributable to non-controlling interests	(0.3)	(0.3)
Adjusted profit after tax	**12.7**	12.6

Notes continued

(forming part of the financial statements)

9 Reconciliation of GAAP to non-GAAP measures continued

Free cash flow conversion is calculated as follows:

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Adjusted operating profit	16.9	16.3
Adjusted for:		
Depreciation of tangible assets	0.4	0.3
Depreciation of leased assets	0.4	0.4
Amortisation of development costs and software	1.3	1.1
Share option charge	1.5	1.3
Research and development benefit	(0.1)	—
Net changes in working capital	(0.7)	1.8
Purchase of property, plant and equipment	(0.3)	(0.2)
Development expenditure	(4.5)	(1.7)
Underlying cash flow from operations	**14.9**	19.3
Underlying operating cash flow conversion	**88%**	118%
Net interest paid	(0.3)	(0.2)
Income tax paid	(2.8)	(4.8)
Payments of lease liability	(0.5)	(0.5)
Free cash flow	11.3	13.8
Adjusted EBITDA	20.5	19.4
Free cash flow conversion	**55%**	71%

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 2023	Number of employees Year ended 31 December 2022
Directors	7	7
Operational	494	486
	501	493

The aggregate payroll costs of these persons were as follows:

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Wages and salaries	23.2	22.6
Social security costs	2.6	2.6
Share-based payment awards	1.5	1.3
Contributions to defined contribution plans	1.7	1.5
	29.0	28.0

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 61 and share options and incentive schemes disclosure on page 60 which form part of these audited financial statements. Further information on the Directors' remuneration and benefits is as follows:

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Wages and salaries	1.6	1.7
Share-based payments	0.7	0.5
Social security costs	0.3	0.2
	2.6	2.4

The Group made contributions of £14k in respect of defined contribution schemes of the Directors.

12 Finance income and expense

Finance income

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Bank interest	0.3	—
	0.3	—

Notes continued

(forming part of the financial statements)

12 Finance income and expense continued

Finance expense

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Interest payable on financial liabilities at amortised cost	**0.7**	0.3
Finance charge on lease liability	**0.1**	0.1
Loan refinance costs (non-underlying)	**—**	0.1
	0.8	0.5

13 Earnings per share

Basic earnings per share	Year ended 31 December 2023	Year ended 31 December 2022
Profit attributable to equity shareholders of the parent (£m)	**7.1**	9.8
Weighted average number of shares in issue	**103,776,394**	103,184,717
Basic profit per share (pence)	**6.8**	9.5

Diluted earnings per share	Year ended 31 December 2023	Year ended 31 December 2022
Profit attributable to equity shareholders of the parent (£m)	**7.1**	9.8
Weighted average number of shares in issue	**103,776,394**	103,184,717
Diluted weighted average number of shares and options for the year	**532,069**	790,867
	104,308,463	103,975,584
Diluted profit per share (pence)	**6.8**	9.4

Weighted average number of shares in issue has been adjusted for potentially dilutive share options arising from the share scheme detailed in note 28.

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 2023	Year ended 31 December 2022
Adjusted profit after tax (note 9) (£m)	**12.7**	12.6
Weighted average number of shares in issue	**103,776,394**	103,184,717
Adjusted earnings per share (pence)	**12.2**	12.2

14 Taxation

	Year ended 31 December 2023 £m	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m	Year ended 31 December 2022 £m
Current tax				
Current tax on income for the year	**3.1**		2.6	
Adjustments in respect of prior years	**0.1**		(0.3)	
Total current tax		**3.2**		2.3
Deferred tax (note 26)				
Origination and reversal of timing differences	**(0.9)**		(0.2)	
Change in deferred tax rate	**—**		(0.1)	
Adjustments in respect of prior years	**(0.1)**		0.3	
Total deferred tax		**(1.0)**		—
Total tax		**2.2**		2.3

£0.1m of tax credit (2022: <£0.1m of tax charge) has been recognised directly in equity.

Reconciliation of effective tax rate

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Profit for the year	**7.4**	10.1
Total tax charge	**2.2**	2.3
Profit before taxation	**9.6**	12.4
Tax using the UK corporation tax rate of 23.5% (2022: 19.0%)	**2.3**	2.3
Non-deductible expenses	**0.5**	0.1
Research and development benefit	**(0.3)**	(0.3)
Change in deferred tax rate	**(0.1)**	—
Adjustments for share-based payments	**(0.2)**	0.2
Total tax charge included in profit or loss	**2.2**	2.3

Notes continued

(forming part of the financial statements)

14 Taxation continued

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 25.0% (rather than remaining at 19.0%, as previously enacted). This new law was substantively enacted on 24 May 2021. Income taxes in the income statement are measured at 23.5% (a blended average rate) and deferred taxes at the balance sheet date are measured at 25.0%.

15 Dividends

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

	Year ended 31 December 2023 £m	Year ended 31 December 2022 £m
Dividend paid by the Company:		
2021 final – 2.00 pence per qualifying Ordinary Share	**—**	2.1
2022 interim – 1.00 pence per qualifying Ordinary Share	**—**	1.1
2022 final – 2.25 pence per qualifying Ordinary Share	**2.4**	—
2023 interim – 1.10 pence per qualifying Ordinary Share	**1.1**	—
	3.5	3.2

The Board is proposing a final dividend in respect of 2023 of 2.35 pence per share, payable on 19 June 2024, to shareholders on the register on 24 May 2024 with an ex-dividend date of 23 May 2024.

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 £0.7m (2022: loss of £0.5m).

17 Property, plant and equipment

	Leased assets			Owned assets		
Group	Property £m	Plant and equipment £m	Total £m	Office equipment £m	Total £m	Total £m
Cost						
At 1 January 2022	4.0	0.9	4.9	2.7	2.7	7.6
Additions	—	0.1	0.1	0.2	0.2	0.3
Revaluation of lease	(1.1)	—	(1.1)	—	—	(1.1)
At 31 December 2022	2.9	1.0	3.9	2.9	2.9	6.8
Acquisitions	0.3	—	0.3	0.1	0.1	0.4
Additions	—	0.1	0.1	0.3	0.3	0.4
Disposals	—	—	—	(0.7)	(0.7)	(0.7)
At 31 December 2023	**3.2**	**1.1**	**4.3**	**2.6**	**2.6**	**6.9**
Depreciation and impairment						
At 1 January 2022	0.7	0.6	1.3	1.4	1.4	2.7
Depreciation charge for the year	0.3	0.1	0.4	0.3	0.3	0.7
At 31 December 2022	1.0	0.7	1.7	1.7	1.7	3.4
Depreciation charge for the year	0.3	0.1	0.4	0.4	0.4	0.8
Disposals	—	—	—	(0.7)	(0.7)	(0.7)
At 31 December 2023	**1.3**	**0.8**	**2.1**	**1.4**	**1.4**	**3.5**
Net book value						
At 31 December 2023	**1.9**	**0.3**	**2.2**	**1.2**	**1.2**	**3.4**
At 31 December 2022	1.9	0.3	2.2	1.2	1.2	3.4

Notes continued

(forming part of the financial statements)

17 Property, plant and equipment continued

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 prior year when this reassessment was made, resulting in a reduction of the lease liability and right-of-use asset of £1.1m. Following the change, 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	Customer relationships £m	Total other intangible assets £m	Development expenditure £m	Total £m
Cost							
At 1 January 2022	72.4	3.1	24.4	—	27.5	3.8	103.7
Additions	—	—	—	—	—	1.7	1.7
At 31 December 2022	72.4	3.1	24.4	—	27.5	5.5	105.4
Additions	—	—	—	—	—	4.5	4.5
Acquisitions	16.7	1.0	3.0	1.3	5.3	—	22.0
At 31 December 2023	**89.1**	**4.1**	**27.4**	**1.3**	**32.8**	**10.0**	**131.9**
Amortisation and impairment							
At 1 January 2022	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
At 31 December 2022	0.2	1.1	6.6	—	7.7	2.3	10.2
Charge in the year	—	0.3	1.8	0.1	2.2	1.3	3.5
At 31 December 2023	**0.2**	**1.4**	**8.4**	**0.1**	**9.9**	**3.6**	**13.7**
Net book value							
At 31 December 2023	**88.9**	**2.7**	**19.0**	**1.2**	**22.9**	**6.4**	**118.2**
At 31 December 2022	72.2	2.0	17.8	—	19.8	3.2	95.2

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

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

	31 December 2023 £m	31 December 2022 £m
Intermediary Services	**24.4**	12.7
Distribution Channels	**11.5**	11.5
Fintech and Research	**53.0**	48.0
	88.9	72.2

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 16.13% to 17.07%; 2022: range of 15.2% to 16.0%), annual adjusted EBITDA growth rate (range of 3.0% to 7.0%; 2022: 4.0% to 8.0%) and terminal growth rate 2.0% (2022: 2.0%). The discount rate is based on the individual CGUs pre-tax cost of capital. 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	Group £m	Company £m
Cost		
At 1 January 2023	—	124.0
Additions	1.2	1.5
At 31 December 2023	**1.2**	**125.5**
Impairment		
At 1 January 2023 and 31 December 2023	—	—
Net book value		
At 31 December 2023	**1.2**	**125.5**
At 31 December 2022	—	124.0

Notes continued

(forming part of the financial statements)

19 Fixed asset investments continued

Group

Group investments are those in which Fintel does not hold significant influence.

In March 2023, the Group paid £1m to acquire a 25% stake in Plannr Technologies Limited ("Plannr"). As the Group holds no voting rights and does not have the ability to influence strategic decision-making, management does not consider the Group to exert significant influence over Plannr. The transaction has been accounted for in accordance with IFRS 9.

In July 2023 the Group exercised its right under the convertible loan note with Cardan Financial Group Limited ("Cardan") to convert the outstanding loan into shares representing a 9.9% equity stake. The loan balance at conversion totalled £0.2m, with the equity stake being measured at the same value. Management do not deem the Group to have significant influence over Cardan and have accounted for the transaction under IFRS 9.

The Directors consider the carrying value of investments to be supported by future cash flows of the businesses.

Company

Investments classified as company investments are considered subsidiaries of Fintel plc.

The additions include £1.5m (2022: £1.3m) relating to share option charges in the subsidiary companies, which will be settled through equity in Fintel plc.

The parent company investment balance comprises a single direct investment in Fintel Group Holdings Limited, which either directly or indirectly holds all of the group's operations. This investment is tested for impairment if indicators of impairment are present. The parent company determines the recoverable amount of its investment for impairment testing purposes based on the future cash flows expected to be generated by the assets of the group. The Directors consider the carrying value of investments to be supported by future cash flows of the businesses.

			Class and percentage of shares held	
Subsidiary undertakings	Country of incorporation	Principal activity	Group	Company
Simply Biz Limited*	UK	Group management	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%	–
Zest Benefits Limited	UK	Dormant	Ordinary 100%	–
Staffcare Limited	UK	Dormant	Ordinary 100%	–
Capital Reward Limited	UK	Non-trading	Ordinary 99.84%	–
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%	–
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%	–
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%	–
Fintel IQ Limited	UK	Investment holding company	Ordinary 100%	–
Fintel IQ Services Limited	UK	Book-keeping activities	Ordinary 100%	–
Fintel Group Holdings Limited*	UK	Financial services holding company	Ordinary 100%	Ordinary 100%
Competent Adviser Limited*	UK	Ready-made software development	Ordinary 100%	–
Competent Adviser Training Limited	UK	Other education	Ordinary 100%	–
VouchedFor Ltd	UK	Other information service activities	Ordinary 100%	–

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	Class and percentage of shares held: Company
MI Capital Research Limited*	UK	Activities auxiliary to finance intermediation	Ordinary 100%	–
AKG Group Limited	UK	Activities of head office	Ordinary 100%	–
AKG Financial Analytics Ltd	UK	Activities auxiliary to finance intermediation	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%	–

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;
- Regulus Bidco Limited, Defaqto Group Limited, Defaqto Ltd, Defaqtomedia Limited, MI Capital Research Limited, AKG Group Limited and AKG Financial Analytics Ltd – Financial Research Centre, Haddenham Business Park, Pegasus Way, Haddenham, Aylesbury, Buckinghamshire HP17 8LJ;
- Competent Adviser Limited and Competent Adviser Training Limited – 8–10 South Street, Epsom, Surrey KT18 7PF; and
- VouchedFor Ltd – 8 Waldegrave Road, Teddington, Middlesex TW11 8HT.

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 2023	Comparison Creator £m
NCI percentage	**35%**
Non-current assets	–
Current assets	2.1
Non-current liabilities	–
Current liabilities	(0.8)
Net assets	**1.3**
Net assets attributable to NCI	0.5
Revenue	2.4
Profit after tax	1.1
Total comprehensive income	0.9
Profit allocated to NCI	0.3

Comparison Creator Limited is a subsidiary of Jump Topco Limited, which is a non-trading intermediary holding company. During the year the entity paid a dividend of £0.5m (2022: £0.1m).

Other significant shareholdings comprise 25% shareholding of ordinary shares of 'Plannr Technologies Limited'. The registered address of Plannr is 103 High Street, Waltham Cross EN8 7AN.

Notes continued

(forming part of the financial statements)

20 Acquisition of subsidiaries

Acquisitions completed in the year ended 31 December 2023

MI Capital Research Limited ("MICAP")

On 7 July 2023 the Group acquired 100% of the issued shares of MICAP, which is a provider of independent research and advice tools for tax-advantaged investment products. This strategic acquisition will extend the Group's reach into the tax-advantaged market, expanding both its data footprint and research capabilities to further enhance scale and IP, whilst further growth is expected from strong customer and proposition adjacencies. Upfront cash consideration of £3.0m was paid upon completion. Deferred consideration of £1.0m, together with interest at a variable annual rate of approximately 1.5%, is payable one year after acquisition. Contingent consideration, capped at £0.5m, based upon certain revenue-based criteria over the year following acquisition is payable at the end of the earn-out year. The fair value of total consideration at the acquisition date was £4.4m. On acquisition, acquired intangibles were recognised relating to customer related intangibles (£0.6m), brand name (£0.2m), and intellectual property (technology) related intangibles (£0.3m). The residual goodwill of £3.7m represents the expertise of the acquired workforce and the ability to leverage this into some of the Group's businesses, together with the ability to exploit the Group's existing customer base. MICAP contributed revenue of £0.5m and profit before taxation of £0.1m to the Group for the period from 7 July 2023 to 31 December 2023. Had the acquisition been made at the beginning the financial year, revenue would have been £1.2m and profit before taxation would have been £0.3m. The amount of goodwill expected to be deductible for tax purposes in respect of this acquisition is £nil.

Competent Adviser Limited ("Competent Adviser")

On 14 July 2023 the Group acquired 100% of the issued shares of Competent Adviser, which through its dynamic learning platform enables financial advisers to meet increasing regulatory competency requirements. This acquisition will enable the Group to further extend its support services offering to financial advisers. Upfront cash consideration of £3.0m was paid upon completion. Contingent consideration based upon certain revenue-based criteria, and by the meeting of certain non-financial criteria (not linked to employment) by the former owners over the year following acquisition is capped at £0.45m and is payable at the end of the earn-out year. The fair value of total consideration at the acquisition date was £3.2m. On acquisition, acquired intangibles were recognised relating to intellectual property (technology) related intangibles (£1.1m), customer-related intangibles (£0.1m), and brand name (£0.1m). The residual goodwill of £1.4m represents the expertise of the acquired workforce and the ability to leverage this into some of the Group's businesses, together with the ability to exploit the Group's existing customer base. Competent Adviser contributed revenue of £0.3m and profit before taxation of £0.2m to the Group for the period from 14 July 2023 to 31 December 2023. Had the acquisition been made at the beginning the financial year, revenue would have been £0.6m and profit before taxation would have been £0.4m. The amount of goodwill expected to be deductible for tax purposes in respect of this acquisition is £nil.

AKG Group Limited

On 25 October 2023 the Group acquired 100% of the issued shares of AKG Group Limited along with its wholly owned trading subsidiary AKG Financial Analytics Ltd (together "AKG"). AKG is a leading provider of independent assessments and ratings of financial strength for a range of organisations including life insurance companies, investment platforms, and discretionary fund managers. The Group will accelerate the reach and growth of the company, providing increased growth opportunities for customers and enhancing its value to consumers. Upfront cash consideration of £1.6m was paid upon completion. Contingent consideration based upon a multiple of recurring revenue over the three years ending 31 December 2026, is capped at £0.2m in total and is payable at the end of each earn-out year. Further contingent consideration will become payable upon the future sale of a long-term property lease for which AKG is the lessee. Contingent consideration in respect of the property disposal is payable if a sale is completed within three years of the acquisition and will not exceed the proceeds of the sale. The proportion of the sales proceeds payable to the former owners in the event of a sale of the property reduces over the earn-out period. The fair value of total consideration at the acquisition date was £2.0m. On acquisition, acquired intangibles were recognised relating to customer-related intangibles (£0.3m) and brand name (£0.2m). The residual goodwill of £1.2m represents the expertise of the acquired workforce and the ability to leverage this into some of the Group's businesses, together with the ability to exploit the Group's existing customer base. AKG contributed revenue of £0.2m and profit before taxation of £0.1m to the Group for the period from 25 October 2023 to 31 December 2023. Had the acquisition been made at the beginning the financial year, revenue would have been £0.9m and loss before taxation would have been £0.1m. The amount of goodwill expected to be deductible for tax purposes in respect of this acquisition is £nil.

VouchedFor Ltd ("VouchedFor")

On 1 November 2023 the Group acquired 100% of the issued shares of VouchedFor, which is a leading review site for financial advisers, mortgage advisers, solicitors, and accountants serving over 5,000 intermediary customers. This acquisition further extends the Group's industry-leading portfolio of ratings and reviews for financial services and professionals. Upfront cash consideration of £7.5m was paid upon completion. Contingent consideration based upon a multiple of recurring revenue over the two years ending 31 December 2025 is capped at £10.0m in total and is payable at the end of each earn-out year, The fair value of total consideration at the acquisition date was £12.2m. On acquisition, acquired intangibles were recognised relating to intellectual property (technology) related intangibles (£1.6m), brand name (£0.5m), and customer-related intangibles (£0.3m). The residual goodwill of £10.4m represents the expertise of the acquired workforce and the ability to leverage this into some of the Group's businesses, together with the ability to exploit the Group's existing customer base. VouchedFor contributed revenue of £0.5m and profit before taxation of £0.1m to the Group for the period from 1 November 2023 to 31 December 2023. Had the acquisition been made at the beginning the financial year, revenue would have been £2.8m and profit before taxation would have been £0.1m. The amount of goodwill expected to be deductible for tax purposes in respect of this acquisition is £nil.

Notes continued

(forming part of the financial statements)

20 Acquisition of subsidiaries continued

Acquisitions completed in the year ended 31 December 2023 continued

The fair values of the assets and liabilities acquired during the year ended 31 December 2023 are summarised below:

During the year ended 31 December 2023	MICAP £m	Competent Adviser £m	AKG £m	Vouched For £m	Total £m
Brands	0.2	0.1	0.2	0.5	**1.0**
Customer relationships	0.6	0.1	0.3	0.3	**1.3**
Intellectual property	0.3	1.1	–	1.6	**3.0**
Property, plant and equipment	–	–	0.4	–	**0.4**
Trade and other receivables	0.1	0.1	0.3	0.4	**0.9**
Trade and other payables	(0.4)	(0.2)	(0.5)	(0.9)	**(2.0)**
Net cash	0.2	0.9	0.2	0.5	**1.8**
Deferred tax asset	(0.3)	(0.3)	(0.1)	(0.6)	**(1.3)**
Fair value of assets acquired	0.7	1.8	0.8	1.8	**5.1**
Goodwill	3.7	1.4	1.2	10.4	**16.7**
Consideration	4.4	3.2	2.0	12.2	**21.8**
Satisfied by fair values of:					
Cash consideration	3.0	3.0	1.6	7.5	**15.1**
Deferred consideration	1.0	–	–	–	**1.0**
Contingent consideration	0.4	0.2	0.4	4.7	**5.7**
	4.4	3.2	2.0	12.2	**21.8**
Less: net cash acquired	(0.2)	(0.9)	(0.2)	(0.5)	**(1.8)**
Transaction costs and expenses	0.1	0.1	0.1	0.3	**0.6**
Total committed spend on acquisitions completed in the year	4.3	2.4	1.9	12.0	**20.6**

For each acquisition the fair value of contingent consideration at the acquisition date represents the estimated most likely pay-out based on management's forecast of future trading and performance discounted at the Group's incremental borrowing rate. The fair value of deferred consideration at the acquisition date represents the amount payable discounted at the Group's incremental borrowing rate.

Contractual deferred and contingent consideration does not pertain to post-acquisition services, and none of the contingent and deferred consideration is contingent upon reemployment.

The fair value of trade receivables within trade and other receivables is £0.8m. The gross contractual amount for trade receivables is £0.8m, all of which other than an immaterial amount is expected to be collectible. The cash outflow in the year in respect of acquisitions completed during the year comprised:

During the year ended 31 December 2023	MICAP £m	Competent Adviser £m	AKG £m	Vouched For £m	Total £m
Cash consideration	3.0	3.0	1.6	7.5	**15.1**
Less: net cash acquired	(0.2)	(0.9)	(0.2)	(0.5)	**(1.8)**
Net investing outflow in respect of acquisitions completed in the year	2.8	2.1	1.4	7.0	**13.3**
Transaction costs and expenses paid	0.1	0.1	0.1	0.3	**0.6**
Total cash outflow in respect of acquisitions completed in the year	2.9	2.2	1.5	7.3	**13.9**

Acquisitions completed since the year ended 31 December 2023

The fair value and purchase price allocation work on the following acquisitions made since the year end is at an early stage and will not be completed until after the approval and issue of these financial statements.

Adv Data Holding Limited

On 26 January 2024 the Group acquired 100% of the issued shares of Adv Data Holding Limited along with its wholly owned trading subsidiary Synaptic Software Limited (together "Synaptic Software"). Synaptic Software is a provider of independent adviser planning and research software. This acquisition will extend and cement the Group's central market position as a provider of technology, research, and consulting services to the adviser market. Cash consideration of £5.1m was paid upon completion. There is no contingent consideration.

Owen James Group Ltd

On 26 January 2024 the Group acquired 100% of the issued shares of Owen James Group Ltd along with its wholly owned trading subsidiary Owen James Events Limited (together "Owen James"). Owen James is a leading provider of strategic engagement events in UK financial services. This acquisition will extend the Group's flagship industry events programme, and data and insights strategy. Cash consideration of £0.8m was paid upon completion, with a further £0.1m payable two months later upon successful completion of an integration plan. Contingent consideration based upon certain revenue-based criteria over the three years following acquisition is capped at £1.5m in total and is payable at the end of each earn-out year.

Notes continued

(forming part of the financial statements)

20 Acquisition of subsidiaries continued

Acquisitions completed since the year ended 31 December 2023 continued

Newdez Limited

On 15th March 2024 the Group acquired 70% of the issued share capital of Newdez Limited for initial consideration of £0.5m. The deal will assist with digitising our compliance proposition and includes contingent consideration based on performance over a two-year period and an option to acquire remaining shares.

21 Trade and other receivables

	Group 31 December 2023 £m	**Company 31 December 2023 £m**	Group 31 December 2022 £m	Company 31 December 2022 £m
Current assets				
Trade receivables	**6.7**	**–**	6.9	–
Provision against receivables	**(0.2)**	**–**	(0.3)	–
	6.5	**–**	6.6	–
Other receivables	**0.8**	**–**	1.8	–
Prepayments	**1.4**	**–**	0.9	0.1
Accrued income	**1.5**	**–**	1.3	–
	10.2	**–**	10.6	0.1
Non-current assets				
Other receivables	**1.5**	**–**	1.2	–
Prepayments	**–**	**–**	0.4	0.4
Amounts owed by group undertakings	**–**	**1.3**	–	–
	1.5	**1.3**	1.6	0.4

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.

For trade receivables and contract assets (presented in the table above as "accrued income"), 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.

Non-current other receivables relate to loans to connected parties expiring 2025, contingent consideration owing from the 2021 strategic disposal of Verbatim which will be recognised in full by September 2025, and amounts owing from employees relating to tax costs on share awards expiring in August 2028.

Non-current prepayments in 2022 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 2023 £m	Group 31 December 2022 £m
31–60 days	**0.9**	1.3
61–90 days	**0.4**	0.3
Over 90 days	**0.7**	0.6
	2.0	2.2

Movement in the provision for trade receivables was as follows:

	Group 31 December 2023 £m	Group 31 December 2022 £m
Balance at beginning of year	**0.3**	0.5
Increase for trade receivables regarded as potentially uncollectable	**0.2**	0.2
Decrease in provision – trade receivables recovered, or written off, during the year	**(0.3)**	(0.4)
	0.2	0.3

22 Cash and cash equivalents

	Group 31 December 2023 £m	**Company 31 December 2023 £m**	Group 31 December 2022 £m	Company 31 December 2022 £m
Cash and cash equivalents	**12.7**	**5.6**	12.8	0.1

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

Notes continued

(forming part of the financial statements)

23 Trade and other payables

	Group 31 December 2023 £m	Company 31 December 2023 £m	Group 31 December 2022 £m	Company 31 December 2022 £m
Current liabilities				
Trade payables	**1.8**	**–**	1.8	–
Amounts owed to Group undertakings	**–**	**8.1**	–	8.5
Other tax and social security	**2.4**	**–**	2.0	–
Other payables	**2.3**	**–**	0.7	–
Deferred income	**8.7**	**–**	8.1	–
Accruals	**5.7**	**–**	6.0	–
	20.9	**8.1**	18.6	8.5
Non-current liabilities				
Other payables	**5.1**	**–**	–	–
	5.1	**–**	–	–

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.

Non-current other payables relates to contingent and deferred consideration on acquisitions completed in 2023. Further details can be found in note 20.

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 2023 £m	Company 31 December 2023 £m	Group 31 December 2022 £m	Company 31 December 2022 £m
Current				
Secured bank loan	**–**	**–**	–	–
Lease liability	**0.4**	**–**	0.4	–
	0.4	**–**	0.4	–
Non-current				
Secured bank loan	**10.7**	**10.7**	–	–
Lease liability	**1.5**	**–**	1.8	–
	12.2	**10.7**	1.8	–

Changes in liabilities from financing activities:

	Loans and borrowings £m	Lease liability £m
Balance at 1 January 2022	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	(0.5)	(0.5)
New leases	–	0.1
Loan drawdown	11.0	–
Other non-cash changes	0.2	0.1
Balance at 31 December 2023	**10.7**	**1.9**

Loans and borrowings

Cash flows on loans and borrowings include £11.0m RCF drawdown (2022: repaid £7.0m) and interest payments made of £0.5m (2022: £0.1m).

Other non-cash changes on bank loans include interest charges of £0.7m (2022: £0.3m), offset by a prepaid arrangement fee of £0.5m.

Lease liabilities

Cash flows from lease liabilities include £0.5m of lease payments (2022: £0.5m). Other non-cash changes on lease liabilities include interest charges of £0.1m (2022: £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 2023 £m	Group 31 December 2022 £m
Current	**0.4**	0.4
Non-current	**1.5**	1.8
	1.9	2.2

Notes continued

(forming part of the financial statements)

25 Leases continued

Lease liabilities continued

All 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 2023 £m	31 December 2022 £m
Interest on lease liabilities	0.1	0.1
Expense relating to short-term leases	–	–
Depreciation of leased assets	0.4	0.4

No short-term or low value leases existed during 2023 or as at 31 December 2023.

26 Deferred taxation

	Group 31 December 2023 £m	Company 31 December 2023 £m	Group 31 December 2022 £m	Company 31 December 2022 £m
Deferred taxation				
Balance at the beginning of the year	(5.4)	–	(5.4)	–
Deferred taxes on acquired business combinations	(1.3)	–	–	–
Recognised in profit or loss	1.0	–	–	–
Balance at the end of the year	**(5.7)**	**–**	(5.4)	–

	Short-term timing differences £m	Accelerated capital allowances £m	Other timing differences £m	Total £m
Balance at the beginning of the year	(5.3)	(0.1)	–	(5.4)
Deferred taxes on acquired business combinations	1.3	–	–	(1.3)
Charge to profit or loss	0.9	0.1	–	1.0
Balance at 31 December 2023	**(5.7)**	**–**	**–**	**(5.7)**

Deferred tax assets and liabilities are attributable to the following:

Group	Assets 31 December 2023 £m	Liabilities 31 December 2023 £m	Net 31 December 2023 £m	Assets 31 December 2022 £m	Liabilities 31 December 2022 £m	Net 31 December 2022 £m
Short-term timing differences	0.8	(6.5)	(5.7)	0.3	(5.6)	(5.3)
Accelerated capital allowances	0.1	(0.1)	–	0.1	(0.2)	(0.1)
Net tax assets/(liabilities)	0.9	(6.6)	(5.7)	0.4	(5.8)	(5.4)

Tax losses of £nil (2022: £16,000) have been recognised in a specific subsidiary on the basis of expected future profits. The Group has £nil (2022: £nil) of other tax losses, on which no deferred tax assets have been recognised due to uncertainty over the future utilisation of the losses, as they exist in specific subsidiaries and are not available for loss relief. The deferred tax liability includes £5.7m (2022: £4.9m) of short-term timing differences on other intangible assets arising from the acquisition of Defaqto in 2019 and from the acquisitions made in the year to 31 December 2023 of MI Capital Research Limited, Competent Adviser Limited, AKG Group Limited and VouchedFor Ltd.

27 Capital and reserves

Share capital

	Ordinary Shares
Number of fully paid shares (nominal value £0.01):	
At 1 January 2022	102,878,830
Issue of share capital	770,115
At 31 December 2022	103,648,945
Issue of share capital	199,740
At 31 December 2023	**103,848,685**

In 2023, the Company issued 199,740 new Ordinary Shares to the open share option schemes detailed in note 28.

Notes continued

(forming part of the financial statements)

27 Capital and reserves continued

Share capital continued

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.

	Share premium £m
At 1 January 2022	65.6
Issue of share capital	1.2
At 31 December 2022	66.8
Issue of share capital	0.2
At 31 December 2023	**67.0**

28 Share-based payment arrangements

At 31 December 2023, the Group had the following share-based payment arrangements.

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.

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 2023, 14,503 (2022: 69,838) shares have been forfeited as a result of bad leavers. An assumed retention rate of 75% (2022: 75%) has been applied at 31 December 2023 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%

There were no schemes issued in 2022.

Issued in 2023

Growth Share Plan

On 18 August 2023, the Group implemented a new long-term incentive plan, the Growth Share Plan. The Plan creates a distributable Value Pot, the size of which is determined as being a proportion of total shareholder value of the Company.

The size of the Value Pot to be received by the beneficiaries will be dependent on the average market capitalisation in the first quarter following the end of each five-year vesting period, subject to an individual participant's continued employment over the vesting period (or their having become a "Good Leaver").

The Value Pot for each award under the Plan will be granted at the discretion of the Remuneration Committee ("RemCo"), with each participant acquiring a fixed number of partly paid B Shares, C Shares and/or D Shares in an intermediary holding company, Fintel Group Holdings Limited. Subject to continued service, the Growth Shares on vestiture will be transferable into Fintel shares to the extent the relevant Value Pot has been earned.

The RemCo will have full discretion to amend the terms of the Plan to take account of, for example, corporate activities such as acquisitions to ensure the market capitalisation hurdles remain appropriate.

On 16 August 2023, the 2023 Awards were allocated under the Plan. The Measurement Period for the 2023 Awards will be the first quarter following the end of the five-year vesting period to 31 December 2027, being the period from 1 January 2028 to 31 March 2028.

Notes continued

(forming part of the financial statements)

28 Share-based payment arrangements continued

Issued in 2023 continued

Growth Share Plan continued

The Value Pot under the 2023 Awards is comprised as follows:

Tier	Market capitalisation at end of performance period	Proportion of Shareholder Value tranche distributed in Value Pot	Total number of Growth Shares in Growth Share class
Tier 1	Between £275m and £300m	8%	163 B Shares
Tier 2	Between £300m and £400m	15%	419 C Shares
Tier 3	Between £400m and £425m	20%	418 D Shares

Value will only accrue to the beneficiaries within each tier to the extent that average market capitalisation in the Measurement Period is above the minimum market capitalisation for that tier. The return thresholds will exclude dividends paid to shareholders.

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.

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 for the Growth Share Plan has been measured using the Monte Carlo model. The following inputs were used in the measurement of the fair values at grant date of the share-based payment plans:

	Value Builder Plan		
	B Shares	C Shares	D Shares
Fair value at grant date	£2,745	£6,190	£1,587
Share price at grant date	£2.15	£2.15	£2.15
Exercise price	£nil	£nil	£nil
Expected volatility	42%	42%	42%
Option life (expected weighted average life)	5	5	5
Expected dividends	1.5%	1.5%	1.5%
Risk-free interest rate (based on government bonds)	4.6%	4.6%	4.6%

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 2023	**Weighted average exercise price 31 December 2023 £**	Number of options 31 December 2022	Weighted average exercise price 31 December 2022 £
Outstanding at 1 January	**731,051**	**1.16**	1,112,782	1.27
Forfeited during the year	**(30,533)**	**0.64**	(103,763)	0.33
Exercised during the year	**(201,209)**	**1.13**	(277,968)	0.42
Granted during the year	**—**	**—**	—	—
Outstanding at 31 December	**499,309**	**1.14**	731,051	1.16
Exercisable at 31 December	**320,615**	**1.07**	528,688	1.11

The options outstanding at 31 December 2023 had an exercise price in the range of £0.01 to £1.93 (2022: £0.01 to £1.93) and a weighted average contractual life of 1.6 years (2022: 2 years).

The weighted average share price at date of exercise for option shares issued during the year was £1.99 (FY22: £2.01).

Other share plans

The Group has several other share-based payment arrangements, all of which have fully vested, and there are only a few outstanding shares in each scheme.

Notes continued

(forming part of the financial statements)

29 Other reserves

Group	Merger reserve £m	Share option reserve £m	Total £m
At 1 January 2022	(53.9)	1.6	(52.3)
Share option charge	—	1.3	1.3
Release of share option reserve	—	(0.3)	(0.3)
At 31 December 2022	(53.9)	2.6	(51.3)
Share option charge	—	1.5	1.5
Release of share option reserve	—	(0.2)	(0.2)
At 31 December 2023	**(53.9)**	**3.9**	**(50.0)**

Company	Merger reserve £m	Share option reserve £m	Total £m
At 1 January 2022	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
Share option charge	—	1.5	1.5
Release of share option reserve	—	(0.2)	(0.2)
At 31 December 2023	**7.5**	**3.8**	**11.3**

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 2023 £m	Year ended 31 December 2022 £m
Cash flow from operating activities		
Profit after taxation	**7.4**	10.1
Add back:		
Finance income	**(0.3)**	—
Finance cost	**0.8**	0.4
Taxation	**2.2**	2.3
	10.1	12.8
Adjustments for:		
Amortisation of development expenditure and software (note 18)	**1.3**	1.1
Depreciation of lease asset	**0.4**	0.4
Depreciation of property, plant and equipment	**0.4**	0.3
Amortisation of other intangible assets	**2.2**	2.0
Share option charge	**1.5**	1.3
Research and development benefit	**(0.1)**	—
Impairment on sale of operations*	**0.2**	0.7
Operating cash flow before movements in working capital	**16.0**	18.6
Decrease in receivables	**0.4**	0.1
Increase/(decrease) in trade and other payables	**(1.1)**	1.7
Cash generated from operations	**15.3**	20.4
Income taxes paid	**(2.8)**	(4.8)
Net cash generated from operating activities	**12.5**	15.6

31 Cross company guarantee

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 drawn on the facility at 31 December 2023 amounted to £11m (2022: £nil).

Notes continued

(forming part of the financial statements)

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 (2022: £0.2m) were outstanding.

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 – resigned 7 December 2022): Kirklees Stadium Development Limited was paid £5,817 (2022: £1,496) by the Group for property costs and other services during the year. Amounts owed at the year end totalled £nil (2022: £nil).

Portus Felix Limited (a company in which Ken Davy is a connected party): Portus Felix Limited was paid £220,608 (2022: £220,200) by the Group for property costs and other services during the year. Amounts owed at the year end totalled £nil (2022: £nil). The Group expects to pay a further £1.3m in property costs.

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 (2022: £nil). The balance at the end of the year held in debtors was £nil (2022: £nil). Sandringham Financial Partners Limited is also a member of the Group's Mortgage Club, in which the Group earned total commission revenues of £48,867 (2022: £64,400). These transactions were conducted on an arm's length basis.

During the year, Huddersfield Giants Limited (a company in which Ken Davy is a Director) was paid £1,102 (2022: £1,980) by the Group for corporate hospitality. Amounts owed at the year end totalled £nil (2022: £nil).

During the year the Group paid Sarah Turvey, who is the daughter of Ken Davy and former Chief Operating Officer, £3,360 (2022: £5,000) in relation to the hire of storage space. Amounts owed at the year end totalled £nil (2022: £nil).

GOYA Consulting Limited (a Director of GOYA Consulting Limited, Keith Hare, is the son-in-law of Ken Davy): GOYA Business Consulting Limited was paid £78,045 (2022: £nil) by the Group in respect of consultancy services. Amounts owed at the year end totalled £nil.

Dividends to Directors

	Group 31 December 2023 £m	Group 31 December 2022 £m
Ken Davy	**0.9**	0.8
Matt Timmins	**0.1**	0.1
Neil Stevens	**0.1**	0.1
	1.1	1.0

34 Client monies

As at 31 December 2023, monies held by subsidiaries in separate bank accounts on behalf of clients amounted to £12.9m (2022: £25.3m). 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 26 January 2024 the Group acquired 100% of the issued shares of Adv Data Holding Limited along with its wholly owned trading subsidiary Synaptic Software Limited (a provider of independent adviser planning and research software), and 100% of the issued shares of Owen James Group Ltd along with its wholly owned trading subsidiary Owen James Events Limited (a leading provider of strategic engagement events in UK financial services).

On 15th March 2024 the Group acquired 70% of the issued share capital of Newdez Limited for initial consideration of £0.5m. The deal will assist with digitising our compliance proposition and includes contingent consideration based on performance over a two-year period and an option to acquire remaining shares.

Further details can be found in note 20.

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 and Wales with registered number 09619906)

Directors:

Phil Smith (Non-Executive 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)
Ken Davy (Non-Executive Director)

Registered office:

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

To the holders of Ordinary Shares

Dear shareholder

2024 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 21 May 2024 at 10:00am (UK time).

A copy of the 2023 annual report and accounts is enclosed. This contains the financial statements for the year ended 31 December 2023. 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 106 to 112 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 111 to 112. Details of the arrangements for the AGM are set out on pages 106 and 108.

I, and my fellow Directors, look forward to meeting shareholders in person once more and welcoming you to our office facility in Huddersfield. 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 no later than by 10:00am on 17 May 2024. 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

Phil Smith
Non-Executive 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 21 May 2024 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 2023.

Final dividend

2 To declare a final dividend upon the recommendation of the Directors for the year ended 31 December 2023 of 2.35 pence per Ordinary Share payable on 19 June 2024 to shareholders on the register at the close of business on 24 May 2024, with an ex-dividend date of 23 May 2024.

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 re-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.

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 £692,324.57 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 £346,162.28 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

Disapplication of pre-emption rights

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

That if resolution 12 is passed, the Directors be empowered pursuant to section 570 of the Companies Act 2006 to allot equity securities (as defined in section 560 of that Act) for cash under the authority given by that resolution and/or to sell Ordinary Shares held by the Company as treasury shares for cash, in each case as if section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such authority to be limited to:

13.1 any such allotment and/or sale of equity securities in connection with an offer or issue by way of rights or other pre-emptive offer or issue, open for acceptance for a period fixed by the Directors, to holders of Ordinary Shares (other than the Company) on the register on any record date fixed by the Directors in proportion (as nearly as may be) to the respective number of Ordinary Shares deemed to be held by them, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, legal or practical problems arising in any overseas territory, the requirements of any regulatory body or stock exchange or any other matter whatsoever; 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 £103,848.69,

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 12 is passed, the Directors be empowered in addition to any authority granted under resolution 13 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 £103,848.69; 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.

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 £103,848.69, representing approximately 10% of the Company's issued Ordinary Share capital (excluding treasury shares) as at 18 March 2024 (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 form of proxy card from the Company's registrars, Link Group via email at shareholderenquiries@linkgroup.co.uk or on 0371 664 0391 if calling from the UK, or +44 (0) 371 664 0391 if calling from outside of the UK. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales.

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 PXS 1, Central Square, 29 Wellington Street, Leeds LS1 4DL, by post or (during normal business hours only) by hand;

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; or

2.2.3 if you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the registrars. For further information regarding Proxymity, please go to www.proxymity.io (see note 4).

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, in the case of shares held through CREST, via the Euroclear website, or via the Proxymity platform, in each case not later than 10:00am on 17 May 2024.

Completion of a proxy form, online proxy appointment or CREST proxy instruction, or appointing a proxy via Proxymity 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.

Notice of annual general meeting continued

IMPORTANT INFORMATION: continued

4 Proxymity voting – if you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the registrars. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 10:00am on 17 May 2024 in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.

5 Only those shareholders included in the register of members of the Company at close of business on 17 May 2024, 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.

6 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.

7 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.

8 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/.

9 Shareholders have a right to ask questions relating to the business being dealt with at the meeting. The Company must answer such questions unless:

9.1 answering would interfere unduly with the preparation for the meeting or would involve the disclosure of confidential information;

9.2 the answer has already been given on a website in the form of an answer to a question; or

9.3 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.

10 As at 18 March 2024, being the last business day prior to publication of this AGM notice, the Company's issued share capital comprised 103,848,685 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 18 March 2024 is 103,848,685.

11 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.

12 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.

13 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/.

Notice of annual general meeting continued

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 21 May 2024 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 2023.

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 2.35 pence per Ordinary Share, payable to shareholders on the register at the close of business on 24 May 2024, with an ex-dividend date of 23 May 2024. If approved, the final dividend will be paid on 19 June 2024.

Resolutions 3 to 9 – Election of Directors

Each of Phil Smith, Neil Stevens, Matt Timmins, Tim Clarke, Imogen Joss, Ken Davy and David Thompson are being put forward for re-election. Having considered the performance of and contribution made by each of the Directors and following performance evaluation of 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 reaffirms its assessment that Phil Smith, Non-Executive Chair, Imogen Joss, Senior Independent Non-Executive Director, and Tim Clarke, Non-Executive Director, remain independent.

A biography of each Director appears on pages 46 and 47 of the Company's annual report and on the Company's website at www.wearefintel.com/who-we-are/about-us.

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. Resolution 10 proposes the re-appointment of the Company's existing auditor, EY.

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 12.1, 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 £692,324.57, representing the IA guideline limit of approximately 66% of the Company's issued Ordinary Share capital as at 18 March 2024 (being the latest practicable date prior to the publication of this document).

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 £346,162.28, representing approximately one-third of the Company's existing issued share capital. As resolution 12.2 imposes no restrictions on the way the authority may be exercised, it could be used in conjunction with resolution 12.1 so as to enable the whole two-thirds to be used in connection with a rights issue. Where the usage of this authority exceeds one-third of the issued share capital, the Directors intend to follow best practice as regards its use.

The authority will expire at the earlier of the conclusion of the next annual general meeting of the Company and the date 15 months after the date of the resolution.

Passing this resolution will ensure that the Directors continue to have the flexibility to act in the best interests of shareholders, when opportunities arise, by issuing new shares. There are no current plans to issue new shares except in connection with employee share schemes.

The Company does not at present hold any shares in treasury.

Notice of annual general meeting continued

SPECIAL RESOLUTIONS

Resolutions 13 to 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, the Directors seek approval 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 £103,848.69 (which would equate to 10,384,869 Ordinary Shares of £0.01 each), representing approximately 10% of the Company's issued share capital as at 18 March 2024, 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 10% 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 £103,848.69 (which would equate to 10,384,869 Ordinary Shares of £0.01 each), representing approximately 10% of the Company's issued share capital as at 18 March 2024, 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 £103,848.69 of its Ordinary Shares in aggregate, representing approximately 10% of the Company's issued Ordinary Share capital (excluding treasury shares) as at 18 March 2024, 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 2024	To be published July 2024
Interim results for 6 months ending 30 June 2024	To be published September 2024
Full year results for 12 months ending 31 December 2024	To be published March 2025
Annual report publication	To be published April 2025

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