Nucleus Financial Platforms Limited

Annual Report and Financial Statements

For the financial year ended 31 December 2023

Registered in England and Wales: 06033126

Contents

Introduction

Nucleus Financial Platforms is one of the UK's leading independent groups for investment platforms, products and wealthtech software.

It comprises the James Hay, Nucleus Wrap, Dunstan Thomas, Curtis Banks, and Talbot and Muir brands.

Operating from offices in Edinburgh, Glasgow, London, Bristol, Ipswich, Portsmouth and Salisbury, we harness the combined talent, expertise and capabilities of our 1,000 people and technology, in a commercial, ethical and sustainable way.

We operate two, leading retirement and investment platforms, Nucleus Wrap and James Hay Online, and through Curtis Banks and Talbot and Muir, we're one of the UK's largest administrators of SIPP and SSAS products.

We also power some of the industry's leading product providers, wealth managers and financial advisory groups through our wealthtech software solutions provider, Dunstan Thomas.

Working in partnership with over 5,300 financial advisory firms, we administer £86.2 billion* of investments on behalf of over 230,000 UK customers, seeking to deliver great service and financial outcomes for them, that ultimately help make their retirement more rewarding.

*As at end December 2023

Board members and company information

Our board is collectively responsible for setting out the strategy and vision of Nucleus, shaping and instilling company values, culture and standards and ensuring the maintenance of sound systems of internal control and risk management.

Our board consists of a team of executive and non-executive directors working together and using their experience of UK financial services and platform businesses to drive Nucleus forward and achieve good outcomes for its customers. You can view biographies of our Directors and their Board responsibilities here.

Gordon Wilson
Chair

Richard Hoskins
Senior Independent
Non- Executive Director*

Cathryn Riley
Independent
Non-Executive Director**

Clare Bousfield
Independent
Non-Executive Director**

Roisin Conran
Non-Executive
Director

Scot French
Non-Executive
Director

Jake Blair
Non-Executive
Director

Owen Wilson
Observer

Richard Rowney
Chief Executive
Officer

Alexander Filshie
Chief Financial
Officer

* existing non-executive director Richard Hoskins is to be appointed 'senior independent non-executive director', subject to regulatory approval
** appointments subject to regulatory approval

Company Secretary:
Michelle Bruce

Auditors:
Deloitte LLP
110 Queen Street, Glasgow, G1 3BX.

Registered office:
Dunn's House, St Paul's Road, Salisbury, Wiltshire, England, SP2 7BF.

Registered number:
06033126

Financial highlights

Our 2023 full year results include a final quarter contribution from Curtis Banks plc (Curtis Banks), which we acquired during the year. Our performance demonstrates strong progress against the Group's strategy of building the UK's leading retirement focused adviser platform.

Revenue increased:

2023
£157.2m
(2022: £114.5m)

Revenue was up 37% to £157.2m benefiting from the scale of our operations, including three months of contribution from Curtis Banks.

Adjusted profit increased:

2023
£70.7m
(2022: £47.7m)

Adjusted profit, or EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) excluding exceptional items, increased 48% to £70.7m.

Profit before tax increased:

2023
£47m
(2022: £25.4m)

Profit before tax increased 85% to £47m This includes exceptional items,such as one-off costs relating to our transformation as well as legal and M&A activity.

Assets under administration (AUA) increased from £44bn to £86.2bn.

Customer numbers increased from 160,000 to 236,000 building our position as a key player in the market.

Robust balance sheet, with cash and cash equivalents of

£150.1m* (2022: £66.5m)

Strong regulatory capital position with material surplus in all regulated entities in the Group.

* Suffolk Life Annuities Ltd, part of Curtis Banks Group plc, provides SIPPs through non-participating individual insurance contracts, and as such it's regarded as an insurance company for the purposes of regulatory and statutory reporting. The Group's consolidated results are now required to include insurance policyholder assets, liabilities and returns. This excludes these non-participating insurance contract balances. Please see note 6 for further information.

Strategic and operational highlights

2023 was a year of good momentum.

We completed the acquisition of Curtis Banks Group plc. The acquisition is part of our strategy of growing organically and via compelling acquisition opportunities, with the ultimate purpose of enabling financial advisers to help make retirement more rewarding for their customers.

Our technical capability to support enterprise or 'adviser as a platform' models, enabling larger advisory groups and consolidators to have more control of the platform and service to their customers, was strengthened through Dunstan Thomas, which became part of the Group via the Curtis Banks acquisition. We're now able to power propositions across the full wealth spectrum.

We announced a number of Executive Committee changes during the year, bolstering the team that will lead us through the next phase of growth.

Alexander Filshie was appointed as Chief Financial Officer, Mike Regan as Chief Commercial Officer, and Pete Docherty as Chief Risk Officer.

We also promoted Steve Knight into the role of Chief Operations Officer and Jenny Thorpe as Chief Technology Officer.

The Executive committee now comprises:

Richard Rowney
Chief Executive Officer

Alexander Filshie
Chief Financial Officer

Mike Regan
Chief Commercial Officer

Jenny Thorpe
Chief Technology Officer

Pete Docherty
Chief Risk Officer

Alison Longbottom
Chief People officer

Steve Knight
Chief Operations Officer

Richard Warner
Special Adviser

CEO review

It was another year of significant progress for the Group as we continued to make excellent strategic progress. Our 2023 financial performance clearly demonstrates the benefits of our scale against a challenging economic backdrop.

Reflecting our long-standing commitment, we continued to invest in our technology, propositions and in higher service levels to support the advisers who partner with us, enabling them to offer great financial outcomes for their customers.

I'm extremely proud of the performance of the business this year. It's testament to the hard work of my colleagues and I thank them for their dedication and loyalty to the Group.

Financial review

I'm pleased to report that 2023 was a year of good momentum, as we continued to create the UK's leading retirement focused adviser platform, via organic growth and acquisitions that add scale and capability to our business.

Despite the challenging economic environment, the Group delivered a strong financial performance in 2023, including a final quarter contribution from Curtis Banks following the completion of our acquisition in September 2023.

Revenue was up 37% to £157.2m, with costs, excluding exceptional costs, only increasing by 19%. Adjusted profit was up over 48% to £70.7m, and profit before tax increased by 85% to £47m.

Investing for financial advisers and their customers

In 2023 the Group's scale enabled investment of £13million in technology and transformation. This included the development of our new, leading retirement platform to initially replace James Hay Online and act as our engine for growth going forward. Throughout the year our programme of investment delivered the following improvements:

- We further reduced the standard Nucleus Wrap platform charge by three basis points for holdings between £200k and £500k. This follows the investment we made in 2022, when we reduced the platform charge by two basis points.
- We removed the remaining exit fees for James Hay and Curtis Banks transfers out to UK based pension schemes.
- Our commitment to investing in price has saved our customers over £5m in the last two years, with a further £5m expected to be saved in 2024 – an approach that is very much aligned with Consumer Duty.
- We made a number of propositional enhancements to James Hay Online enabling customers to benefit from the high interest rate environment. These included:
    - Starting to pay interest on transactional cash balances.
    - Enhancing our cash panel through a new partnership with Bondsmith, giving customers increased options to maximise their returns on cash through access to a wider range of competitive fixed term deposit and notice accounts.

- We put more people into our operational and client facing teams to ensure we are well resourced to support advisers and customers. This included recruiting an additional 40 staff into our operational teams to support our overall end to end servicing and customer offering. We also expanded our office space in Glasgow to accommodate our new colleagues.
- We brought together our James Hay and Nucleus websites into a single central access point for all users, integrating all our content under the Group brand.
- Good progress is being made in building our new retirement platform, with our long-term partner FNZ. Initially this will be the replacement for James Hay Online and our strategic platform for driving growth going forward. It will offer a wider range of products, simpler pricing, and more online functionality via a leading portal user-interface. We expect to launch later in 2024.

During the year we responded to the FCA's Consumer Duty requirements by delivering a cross-business change programme that evidenced our best practice at ensuring great customer outcomes for our open products. This included mapping and testing customers journeys to ensure good outcomes are being delivered as well as introducing a new customer testing regime that complemented our already robust literature production processes, to provide reassurance of customer understanding. We also created an online hub to help advisers understand the obligations they have, as well as sharing our fair value assessments and target market statements.

We're on track for supporting the FCA's timescale for implementing Consumer Duty for our closed products in July 2024.

Organic growth is a key part of our strategy and throughout last year we made good progress in growing our client base. We achieved over £1bn in new business with our strategic partners and developed bespoke platform solutions for large consolidator firms including Verso and Radiant. We welcomed 332 new advisers and also onboarded 18 prominent regional firms throughout the year.

Investing in our people

People are at the heart of our continued success, and over the course of 2023, we continued to grow our headcount welcoming 157 new colleagues to Nucleus. A further 873 colleagues joined the Group from Curtis Banks on completion of the acquisition. Post year end, as part of the outsourcing agreement with our strategic partner, 650 Curtis Banks employees transferred to FNZ.

During the year we also established an office base in London where our colleagues can come together, increasing opportunities for collaborative working and providing space for client meetings. As a result of the acquisition of Curtis Banks plc, we now have additional offices in Bristol, Ipswich and Portsmouth.

We continue to adopt a hybrid mixture of office and home working for many of our people, offering the work life balance benefits and contributing towards wellbeing.

We recognise the importance of an engaged workforce and how we motivate, reward and support them is central to our people strategy. The Group's annual salary award for 2023 was on average 5%, prioritising the highest increases to our lower paid people. Across all employees 65% received more than average, with 26% securing 7% or more.

Delivering for advisers and their customers starts and ends with our people. I was therefore pleased that our 2023 colleague survey showed our high engagement levels continuing at 74%, which is 5% above the UK Financial Services sector benchmark. Engagement is a measure of our people's connection and commitment to the company and is important not only for our performance but also for how we attract and retain colleagues. We scored strongly on this measure too, with 85% saying that they would recommend Nucleus as a good place to work.

We continue to make progress with our commitment to Equity, Diversity and Inclusion (ED&I), creating a workplace with people from a broad range of backgrounds and experience. We know that seeking out diverse talent and creating an inclusive workplace is not only the right thing to do but will help us to thrive as a business.

We want to build an inclusive organisation where our people are representative of advisers, customers and the communities in which we operate. In 2023 Mike Regan became group executive sponsor for ED&I. We also created four employee-led networks – LGBTQ+, Culture and Ethnic Diversity, Disability & Health and Women at Nucleus – to help drive our actions and policy on ED&I. Our networks are responsible for raising awareness, building community and advocating for change across our business to ensure that ED&I is part of our collective identity.

Investing in society

We recognise the importance in giving back to society and being a responsible corporate citizen. In 2022 we launched The Nucleus Foundation, a registered charity with an initial £750,000, entirely funded by shareholders and governed by a committee of trustees.

The foundation is focused on areas including supporting local community causes, encouraging more women into financial advice, supporting disadvantaged people near or at retirement by providing grants or assisting those without financial advice and helping employees and their families in cases of emergency or hardship.

This year saw the first major investment from the Foundation partnering with the Verve Foundation to fund and support an initial cohort of 10 women to join the 'We Are Change' programme. We greatly respect the work of the Verve Foundation and are pleased to be able to partner with them to encourage more women to become advisers and play our part in tackling the diversity gap in the advice sector.

Demonstrating our commitment to the sector

Nucleus is now a custodian of £86.2bn of investments, entrusted by nearly a quarter of a million people, and we take this responsibility very seriously. We strongly believe that we have an obligation to champion financial advice and to ensure that the industry's voice is heard by politicians, regulators, and policy formers.

That's why last year we published our inaugural UK Retirement Confidence Index. This comprehensive study, the first of its kind, surveyed more than 2,200 UK adults aged 50 and over to measure confidence levels of those approaching or already in retirement.

By creating an objective measure, which we can track over time, we can see the real impact of a range of factors on retirement confidence and use this data as a baseline to effect positive change.

One of the key findings from the report was that greater collaboration is paramount to effect positive change. That's why we have been calling for an independent long-term savings commission to depoliticise and develop proposals for pension and savings policy bringing much needed consistency.

We believe it has never been more important to ensure that people can make informed retirement decisions in an environment of trust and stability and we will continue to play our part in lobbying for positive change.

Major shareholders

The Group continues to benefit from strong financial backing from our key shareholders HPS Investment Partners and Epiris LLP.

Post year-end

On 1 February, 650 Curtis Banks employees were transferred to FNZ in line with our outsourcing arrangement. Subsequent to this, our total group headcount was c1,000 employees.

In February 2024 we announced the acquisition of Third Financial Software Limited. Third Financial is a fast-growing investment platform and software provider. The acquisition enables the Group to further expand its 'adviser-as-a-platform' proposition, offering a complete range of platform, product and software solutions for advisory businesses and consolidators, as well as discretionary fund managers. The acquisition received regulatory approval from the Financial Conduct Authority on 22 May and completed on 30 June 2024.

By combining our scale, expertise and relationships, with Third Financial's innovative technology, we'll be able to offer a broader proposition to serve the needs of wealth managers and advisory businesses across the sector.

Importantly the acquisition will enable us to further strengthen our enhanced 'adviser-as-a-platform' proposition to meet the needs of larger businesses and adviser consolidators who want to offer their own platform. The combination with Third Financial is fully aligned with the Group's strategic ambition of building scale and capability through organic growth and compelling acquisition opportunities.

We strengthened the Board with the announcement of two Non-Executive Directors. Cathryn Riley, who started on 1 May, will chair the remuneration committee, and Clare Bousfield who joined on 1 July and chairs the risk committee. Their appointments are subject to regulatory approval. They replace Judith Davidson and Kathryn Purves respectively. We are grateful to them both for their contribution to the Group's development and we have benefited from their counsel during what has been an exceptionally busy chapter in our growth.

We also brought Curtis Banks within an enhanced group governance and risk management framework. This included the appointment of our Chief Financial Officer Alexander Filshie and Mike Regan Chief Commercial Officer to the Board.

Outlook

2023 remained a challenging environment for the industry, against a backdrop of macro-economic uncertainty, affecting inflows, outflows, and the performance of investment assets. The sector continues to contend with increased volatility as result of high interest rates and the ongoing cost-of-living crisis in the UK.

While these are headwinds for our industry, we benefitted from our reduced cost base following the FNZ outsource, where a significant proportion of the Group's cost is now linked to the value of AUA through a basis points cost model.

The long-term outlook for the sector remains positive with the demand for financial advice remaining as strong as ever. We're well-positioned for growth and have the scale and financial strength to take on the challenges in front of us, while continuing to invest for the benefit of the advisers who have chosen to partner with us, their customers, and our people.

As we look forward to 2024 we are cautiously optimistic. Although the macroeconomic outlook remains uncertain, our position remains very strong as one of the leading retirement-focussed adviser platforms in the market benefitting from consistent, sustainable revenues and economies of scale.

Market expectations are for a period of UK interest rate stability before rates begin to decline later this year. The environment for longer-term saving is improving and our expectation is that flows will start to improve over 2024. We are well positioned to continue to grow our business as market conditions improve.

Richard Rowney
CEO

The purpose of this report is to provide information to the members of Nucleus Financial Platforms Ltd and its subsidiaries (the "Group") and as such it is only addressed to those members.
The report may contain certain forward-looking statements with respect to the operations, performance, and financial condition of the Group.

These statements reflect knowledge and information available at the date of the report's preparation and by their nature involve inherent risks and uncertainties. Nothing in this report should be construed as a profit forecast and the Group undertakes no obligation to update any forward-looking statement during the year.

The full results for the Group are included in the Financial Statements on pages 35 to 86.

Financial key performance indicators

£'m	2023	2022
Revenue	157.2	114.5
Adjusted profit[1]	70.7	47.7
Profit / (loss) before tax	47.0	25.4
Assets under administration[2]	86.2	44.0
Customers	236,000	160,000

1. The Non-IFRS adjusted profit performance measure for the Group for the current and prior financial year is disclosed in Note 6.
2. Industry-specific financial key performance indicators are alternative measures that the Directors believe help to inform the results and financial position of the Group.

Principal risks and uncertainties

The following principal risks relate to the Group and the wider sector in which it operates. The risks and uncertainties described below are not intended to be exhaustive. Additional risks and uncertainties not presently known to the Directors or that the Directors currently deem to be immaterial could also have an adverse effect on the business and financial performance.

The business operates a single risk management framework through which we systematically identify actual and potential risks and seek to put in place appropriate mitigants through our processes, policies and controls.

The key risks of the Group are set out below and these are managed within the risk appetites set by the Board on an annual basis. Additional information can be found in our MIFIDPRU 8 disclosures which can be found on the Group's websites.

Culture risk

Culture risk is intrinsic to our business and considers our role in society and we recognise we may generate potential risk of harms to our customers, markets and other stakeholders. We consider our conduct, ESG and sustainability risks from our behaviours and organisational structures and use established governance structures and effective management information to oversee these risks, and act where required.

We believe good governance provides assurances to our stakeholders that we are focused on what matters most, our conduct and customer outcomes. These areas are of particular importance and prominence currently as our business goes through a significant period of integration and change. We have implemented formal governance arrangements and established ownership for decisions.

Our values are embedded in our business strategy and to mitigate our conduct risks, our internal systems and controls are focused on delivering our business plan while meeting our customer and business expectations.

Strategic and business model risks

Fluctuations in capital markets are beyond the Group's control. Revenue and performance are linked to the value of assets held under administration ("AUA") on and off platform, which in turn is linked to the level of inflows, outflows and the performance of the assets and asset classes into which customers have invested. A decline in capital market asset value may (i) reduce the value of the AUA on the platform; (ii) prompt customers (in conjunction with their financial advisers) not to make further investments or to withdraw funds from the platform; and (iii) make it more difficult for financial advisers to attract new customers to advise through the platform. This is partly mitigated through close monitoring of business flows and deviations from plan.

Economic, political and market factors can also affect the level of inflows and outflows and the performance of investment assets. For example, a general deterioration in the global economy, and the UK economy in particular may have a negative impact on customers' disposable income and assets, and the value of savings and investments on the platform. The business continues to respond to changes in the operating environment requirements following the Covid-19 pandemic and during 2023 there continued to be market volatility as the world navigated Russia's invasion of Ukraine, high inflation and the challenging cost of living environment. Whilst inflation and changing costs are areas of risk for our business, exposure is reduced following the FNZ outsourcing arrangements where a significant portion of the cost base is also now linked to the value of AUA through a basis points cost model.

The Group is also exposed to movements in interest rates as these impact on the margin on cash retained by the Group. We have experienced a low interest rate environment for a number of years, however 2023 saw a continuation of rising interest rates. This generates some risk within the Group business plan due to our treasury activity, uncertain future interest rate movements and changing customer expectations and behaviors.

The above risks are managed through close monitoring of AUA levels, market forecasts, business flows and deviations from plan, with regular reforecasting and business planning taking into account market levels and macro-economic conditions. From time to time, the Group may use hedging to mitigate interest rate and market risk.

Competition

The industry in which we operate is competitive and the Group faces significant competition from a number of sources, including intermediated platform providers, life insurance companies, asset and fund managers and direct to consumer investment platforms. While the Group strives to mitigate this risk and remain competitive by continuing to develop its online and offline offering, the risk exists that it is unable to adapt to changing market pressures or customer demands, keep pace with technological change and platform functionality relative to its competitors or maintain its market share given the intensity of the competition.

Competition may also increase in response to demand dynamics, further consolidation (including vertical integration) in the wider financial services sector, new entrants to the market or the introduction of new regulatory requirements (including those targeted at financial advisers or other market participants). In addition, pricing pressure across the investment lifecycle is prevalent as competitors invest in new technologies and new blends of products and services to deliver value and compelling propositions for their customers and other stakeholders. To mitigate this risk, the Group monitors this competitive environment and takes action where required to maintain a competitive position.

This risk is of key significance currently as our Group scale creates competitive opportunity, as does our operating model with FNZ. We are however in a period of transition and consequently are in a period of transformation and change which brings competition risk if not managed well.

Relationship with financial advisers

While the Group has been able to maintain strong, longstanding relationships with its customers and adviser users, there can be no assurance that this will continue. The Group could lose or impair relationships as a consequence of, among other things, operational failures, uncompetitive functionality or pricing, reputational damage, consolidation and vertical integration in the financial advice market or the closure of firms of financial advisers. The loss of, or deterioration in, the Group's relationships with its financial adviser base, particularly those responsible for directing significant inflows to the platform, could have a material adverse effect on AUA and revenues. This is part mitigated by our adviser relationship model and also by directly involving advisers in the propositional elements of the platform.

Reliance on key suppliers

The Group operates a business model that outsources significant components of its operations and technology services and enters into agreements with selected product providers to distribute and administer their products as part of the wrap platform. As a result, the Group has a reliance on its key suppliers and performance issues affecting these products and services may have an adverse impact on the Group's strategy and business performance. To manage these key relationships and mitigate the associated risks, we have outsourcing policies in place and a framework for vendor management and oversight.

The Group's key supplier is FNZ, who provides IT and operational functions, Bravura Solutions Limited, who provides part of the Group platform technology services, Winterfloods Business Services who provides custody services and Amazon Web Services (AWS), who provides IT infrastructure and cloud hosting services. In addition, we use suppliers for product services and stockbroking services amongst others.

Strategic transformation

From time to time the Group undertakes major strategic merger and acquisition activity. There is an inherent risk within these transactions that material matters that may impact the future performance of the Group are not identified as part of the process. In order to mitigate this risk, the Group makes extensive use of specialist external advisers from an early stage. This was the case during 2023 where the Group explored and progressed key strategic opportunities such as the acquisition of Curtis Banks Group plc in September 2023.

Transformation risk also exists as a result of the potential failure to integrate services under a common model. Risks in this area are mitigated by establishing strong oversight frameworks and by establishing dedicated project and change teams to deliver. Monitoring of business capacity and delivery is also in place to ensure transformation remains on track for delivery.

Operational and regulatory risks

Operational

The nature of the activities performed by the Group is such that a degree of operational risk is unavoidable. Operational risk may generate potential risk of harm to customers, the firm or the wider market, such as deficient service delivery, poor customer outcomes, an inability to scale effectively, reputational damage and financial loss. Operational risk could occur directly within our retained organisation, or through our outsourced services. As the business outsources more the nature of the operational risk changes, however the accountability for ensuring service delivery and operational stability remains with the retained organisation.

The Group's operational risks can be divided into three main categories (people, operational process and controls, and operational resilience including technology) with relevant examples of each below:

People

- Failure to attract, train, motivate and retain core skills and knowledge in the retained elements of our business.
- People-related errors in core processes.

Operational process and controls

- Failure in core processes and controls (whether preventative or detective), either by the retained business or by third parties.
- Failure in systems and controls in place to meet the requirements of taxation and other regulations in respect of the suitability of certain investments to be held within certain tax wrappers and accounts.
- Failure to implement platform and business change and deliver transformation.
- Failure to maintain adequate controls around fraud and other forms of financial crime, compliance, and client money.
- Failure in processes within FNZ or failure on oversight of FNZ.

Operational resilience and technology

- Failure of, or disruption to, the sophisticated technology and advanced information systems (including those of the Group and its third-party service providers) upon which the Group is dependent. This could be from an external threat (cyber-attack) or internal causes (failure to maintain systems or licenses).

- Inability to respond to the need for technological change as a result of the failure to continue to improve new technologies, through lack of appropriate investment in new technologies or through such investment proving unsuccessful.
- Failure to maintain existing technologies or to invest appropriately in continuing improvements to those technologies.
- Vulnerability of the Group's networks and platform (and those of its third-party service providers) to security risks, cyber-attack or other leakage of sensitive or personal data.
- Vulnerability of the Group's networks and platform (and those of its third-party service providers) to security risks or cyber-attack leading to direct theft of monies or assets.

These operational risks are managed and mitigated through a strong risk and control framework, a suite of operational risk policies, and oversight through an embedded three lines of defence assurance programme and embedded governance model.

Regulatory

Regulatory risk includes the risk of non-compliance with existing regulatory requirements as well as the risk relating to changes in government policy and applicable regulations. To mitigate risks in this area we have a compliance-aware culture with clear risk appetites for regulatory compliance and provide compliance consultancy and advisory services. In addition, compliance monitoring and assurance is carried out as part of our three lines of defence model.

A number of companies within the Group are enhanced firms under the FCA's Senior Managers Certification Regime "SMCR", and as the wider group has elected to opt up to this level it is therefore subject to the associated standards and expectations. If the Group, and/or any of its key suppliers, were to commit a serious breach of any of the regulations that apply to it (not least the applicable regulatory regime relating to the Group's FCA authorisations and its FCA regulated activities), there could be both regulatory and financial consequences (including, without limitation, sanctions, fines, censures, loss of permissions and/or the cost of being required to take remedial action).

In 2023, there have been further material regulatory changes, notably Consumer Duty phase 1 for open books. The Group progressed delivery for Consumer Duty phases 2 for closed books and the recently announced Lifetime Allowance abolishment. The Group's readiness for these has been overseen by the Risk Committee and Board.

Financial and liquidity risks

Solvency (including access to capital)

We are required to maintain and have available a sufficient level of capital and maintain appropriate coverage throughout the year in line with regulatory requirements, risk appetite and our policy framework. The Group may require access to additional capital for a number of reasons, including increased regulatory capital requirements, and the Group reviews its capital requirements on a quarterly basis, with periodic stress testing of the results to evidence that its regulatory capital requirements can continue to be met in a range of stressed scenarios. In addition, the Group's capital management policy requires setting capital requirements significantly in excess of the minimum regulatory requirement.

We retain a planning assumption that the Group will pay regular dividends, however the ability of the Group to pay dividends is dependent on a number of factors including, among other things, the results of its operations, its financial condition, anticipated cash requirements, regulatory capital requirements, future prospects and its profits available for distribution, and there can be no assurance that the Group will pay dividends or, if a dividend is paid, of the amount that any dividend will be. To mitigate the risk to dividends, profitability, solvency and liquidity are monitored by Finance, Risk and the Executive Committee and approved by the Board.

Liquidity

Our liquidity position is subject to a number of factors that may generate liquidity strain in the short or medium term. The Group manages its liquidity risk through an ongoing evaluation of its working capital requirements against available cash balances and credit facilities. The Group has a liquidity management framework that requires management to monitor and report on potential risks and liquidity positions, including compliance with regulatory liquidity requirements and internal appetites.

Credit

The Group is exposed to credit risk through our outsourced partners, trade and other receivables and our banking relationships. Exposure is mitigated through due diligence processes and by setting minimum policy standards and risk appetite for credit exposure.

The associated financial risk is disclosed in Note 3.

Risk management framework

The Board’s objective regarding risk management is to deliver the Group's strategy and business plan supported by a robust, scalable and enterprise-wide governance, risk management and control framework to identify, assess and manage the potential risk of harms to customers, our business and the wider market.

Our framework is concerned with:

- Demonstrating it is proportionate and effective in the governance and performance of risk management for an authorised and regulated investment firm.
- Evidencing our business strategy and business planning process are aligned with the risk management framework.
- Supporting the Board in setting and monitoring risk appetite.
- Demonstrating we manage our risk appetite tolerances and limits across agreed risk categories.
- Demonstrating we meet all applicable regulatory principles and requirements on an ongoing basis and do so based on strong and effective risk management culture and structures.
- Embedding a risk aware culture with risk management recognised as a management competence, critical to the delivery of our business strategy and performance targets.
- Demonstrating that we treat our customers fairly at all times and deliver good customer outcomes.

We use a clearly defined risk management framework to effectively identify, assess, manage and report the Group’s risks. The framework is set out in our internal policies and process documentation and is subject to annual review and challenge by the Risk Committee.

In assigning risk management responsibilities, the Group operates an approach to risk management that is commonly referred to as the “three lines of defence” model. The activities within each of the three lines are:

First line of defence

Business lines have responsibility for identifying, assessing and managing their risks through a sound set of policies, processes and controls. Business lines are also responsible for the development and deployment of appropriate mitigating actions and embedding of systems and controls. Activity in the first line of defence extends to the relationships and management of our outsourced partners.

Second line of defence

The roles of the second line risk and compliance functions are to develop and maintain the Group risk and compliance management policies and frameworks. Review of the effectiveness of the risk management practices performed by operational management is evidenced through effective assurance reporting to management and the Board Committees. The second line also provides support and advice to the business risk owners in reporting risk-related information within the Group, including management information on risk and assurance matters to the audit and risk committees and the Board Audit and Risk Committees and the Board. The Board Risk Committee receives regular reporting from the second line functions on business performance against risk appetites across the risk universe.

Third line of defence

The Group has an external partner as an appointed internal audit function to serve as its third line of defence on a fully outsourced basis. Through this model the Group obtains independent assurance on the effectiveness of its control environment for material processes. Internal audit, through a risk-based approach, provides assurance to the Board Risk Committee and the Board on how effectively risks are assessed and managed, and the effectiveness of the risk management framework. Findings arising from these audit processes are reported to the Board Risk Committee. BDO have been appointed as internal auditors for the Group since 31 December 2021.

S172 statement

Nucleus' Board strategic decision making is purpose driven, aligned to the Nucleus vision, values and risk appetite. Our Directors recognise that a key factor in any strategic decision-making process is the consideration of stakeholder interests and outcomes and they acknowledge that this process involves both judgement and challenge. The Board hears the views of different stakeholders in its meetings and offline discussions and also through its routine review of management information and reporting.

The Board considers our key stakeholders to be our customers, our platform users, our shareholders, our people, our suppliers, our regulators and our community, our environment and wider society. What we feel matters most to these individual stakeholders, how we engage with them and how we have responded to their needs is captured below. Furthermore, in addition to these stakeholder specific outcomes, two case studies are also provided below to highlight how the Board took its duties set out in s172(1) of the Companies Act 2006 into account during 2023.

Case study one

The acquisition of Curtis Banks

At the start of 2023, the Board approved the recommended cash acquisition of Curtis Banks Group plc (now Curtis Banks Group Limited). A transaction which is considered transformational both in terms of scale and in the Group's ability to further invest in technology, people, products, price and service for the benefit of advisers and their customers, aligned to our purpose of making retirement more rewarding and our vision of becoming best loved. In order to reach its decision, the Board identified and considered the interests of and the outcomes for a number of stakeholders against proposed transaction rationale and risk review. Close engagement was had with Nucleus' shareholders, several regulatory bodies such as the Financial Conduct Authority (FCA), Prudential Regulation Authority (PRA), Solicitors Regulation Authority (SRA) and the Competition and Markets Authority (CMA), Nucleus' material outsourcing partner, FNZ, and the Takeover Panel (given listed status of Curtis Banks Group plc on AIM at the time). This engagement was carried out through various discussions and review of and debate around management and external adviser reports. Through the due diligence process and continued conversation, the Board also reviewed and challenged management thinking on and plans for achieving great customer outcomes at the time of and post completion of the transaction. A comprehensive communications plan was also reviewed by the Board and put in place with support from external advisers to keep our people informed. The transaction completed in the Autumn of 2023 and the Board remains engaged in ongoing risk management and integration plans and activity, promoting positive stakeholder outcomes and discussion through a wider stakeholder lens.

Case study two

Our approach to consumer duty

As part of its 2023 agenda, the Board oversaw the development of and approved the business' consumer duty approach and readiness. Aligned to the regulatory agenda and meeting FCA views and expectations, the Board scrutinised and challenged the business' approach to consumer duty, its proposed implementation plan and internal second line assurance work through the review of management and project reports, management feedback on regulatory engagement and oversight of project governance. The Board monitored the project over two key regulatory milestones in 2023, as well as discussing and opining over regulatory guidance, third party reviews and internal progress reports. Aligned to a focus on fostering and achieving great customer outcomes, the interests of and outcomes for our customers and wider stakeholders were at the forefront of the Board's decision making when considering the key elements of the firm-consumer relationship, its approval of the proposed implementation plan and its ongoing oversight of project progress and delivery.

Customers

What matters most:

- Well designed products that are transparent and simple
- Income and benefits paid on time
- Flexible support when customers are facing vulnerability
- Fair pricing and fair value
- Quality of service
- Security of customer assets
- Great customer outcomes

How do we engage:

- Have your say customer feedback surveys
- Active management of Nucleus Trustpilot page
- Clear communication
- Dedicated customer contact and complaint resolution teams
- Net Promoter Score to assess customers views of the overall service and proposition provided by the Nucleus Group
- Customer Committee which has a responsibility to facilitate great customer outcomes and review customer experience and Voice of Customer reporting
- Consumer duty review
- Carried out research to understand needs and behaviours of our non-advised customer base

How did we respond:

- Complaints registered in 48 hours, customers who complain spoken to within 2 weeks and 100% of complaints generally resolved in 8 weeks
- Maintained service levels throughout the year, with specialist escalation teams put in place to resolve identified issues
- Assessed all our open products and services against Consumer Duty requirements including fair value
- Ceased exit fees for 43,000 customers on James Hay
- Enhanced our vulnerable customer support for 105,000 customer on Nucleus Wrap
- Released a series of how-to guides to support non-advised customers using our proposition
- Introduced fourth tier pricing on Nucleus Wrap, reducing the standard annual platform charge for certain holdings
- Launched the UK Retirement Confidence Index

Platform users

What matters most:

- Connection to customers' needs
- Continuous platform development
- Dependable and consistent service standards
- Effective relationship management
- Cost-effective platform
- Clear guidance and thought leadership

How do we engage:

- User sessions, adviser surveys and illuminate events
- Dedicated account managers and business development teams
- Stakeholder forums such as the UK platform group (UKPG) and our advisory board
- Thought leadership platform

How did we respond:

- Complaints and adviser feedback analysed for root cause and corrective action taken
- Regular cycle of "you said, we did" through adviser communications and Illuminate News
- Enhanced investment proposition such as a cash offering through Bondsmith and a platform compatible with-profits fund

Our people

What matters most:
- Making a difference for our customers
- Autonomy, coupled with clear expectations and boundaries
- Having opportunities to grow and progress
- Being fairly rewarded for their contributions
- Knowing that their voice is heard
- Feeling alignment between the Group and personal values
- A sense of wellbeing and inclusion in the work place

How do we engage:
- Regular online surveys
- Tools to facilitate goal setting, 1-to-1's and feedback
- All company briefing and Q&A session led by our CEO and his executive team
- Online communication platform
- Employee forums
- Senior Leadership Team offsites
- Culture leaders and Firestarters
- Staff social events
- Support for internal and special interest groups

How did we respond:
- Sustained support, safety, productivity and engagement working from home and in the office
- Launched new E,D&I networks such as Women at Nucleus and LGBTQ+
- Held our first people leader conference across the Nucleus/ James Hay business and continue to support our people leaders through quarterly interactive sessions and the issue of a new toolkit
- Launched new wellbeing initiatives

Suppliers

What matters most:
- Trusted partnerships
- Strong governance
- Clear communications
- Service delivery that supports good customer outcomes and strategic goals

How do we engage:
- Vendor Manager Office (VMO) manage vendor activities and maintain both new and existing vendor relationships
- Regular service reviews with key material outsourcers
- Clearly documented vendor management onboarding and maintenance policies and practices
- Annual due diligence reviews with key material outsourcers
- Collaborative engagement with key suppliers and business owners

How did we respond:
- Identified business owners for all contractual relationships
- Performed a review of our vendor management suite of policies and procedures
- Implemented a contract management lifecycle tool to manage group contractual arrangements

Shareholders

What matters most:
- Compelling business model and growth strategy
- Stability, resilience and ability to scale
- Investing in our talent and succession

How do we engage:
- Shareholder communications in respect of any specific corporate actions and reserved matters
- Regular Board and other ad hoc meetings as required

How did we respond:
- Provided regular reporting on strategy execution through our Board and Board Committee meetings
- Continued to operate within the framework of shareholder reserved matters and governance arrangements in the form of our operating and investment agreements

Regulators

What matters most:

- We strive to "Do the right thing" at all times and we have an open and transparent dialogue with all relevant regulators
- Understanding and adopting the principles and rules of the FCA Handbook – knowing which rules and guidance are relevant to Nucleus
- Demonstrating good conduct
- Acting in our customers' best interests

How do we engage:

- Membership of the UK platform group (UKPG)
- Direct communication between our Chief Risk Officer, Regulatory and External engagement lead and other senior management within Nucleus and the FCA
- Respond to regular, known FCA surveys (e.g. quarterly platform data request surveys) on time
- Respond to consultations where appropriate
- Respond to requests for assistance with FCA investigations into other firms/external issues

How did we respond:

- Responded to the FCA's quarterly platform data requests on time
- Submitted completed financial resilience surveys on time
- Responded to ad hoc information requests on time.
- Responded to requests for assistance in a timely manner

Community, the environment, and wider society

What matters most:

- Being a visible presence for good in the communities in which our people live and work
- Supporting the UK transition to a low-carbon economy
- Providing jobs and investment
- Operating as a sustainable and responsible business

How do we engage:

- Support employment and apprenticeship schemes
- Provide opportunities for our people to give back to their communities through paid volunteer hours
- Support key charity partners as voted for by Nucleus people and engage in charitable donation matching for staff raising money for good causes
- Measure our comprehensive carbon footprint, reporting in line with TCFD recommendations as part of our Climate-related Disclosures report
- Integrate climate-related risks into our formal risk framework
- Launched an EV salary sacrifice scheme for employees to reduce their personal carbon footprint

How did we respond:

- Operate a charity committee to identify, promote and coordinate charitable activities across the business
- Ongoing monthly charity matching and approximately £47,000 raised by our people with support from the charity committee
- Continue to measure, track and target our societal and environmental impact in line with our B-Corp inspired sustainability framework and operation of our sustainability working group
- Continued the work of the Nucleus Foundation, joining forces with the Verve Foundation to encourage more women into financial services
- Sharing ESG related content via Illuminate
- 916 hours (115 days) of volunteering done by our people through company volunteer days
- Sponsorship of local events, community groups and good causes across all business sites
- Offer employees an environmental engagement app, Pawprint, to educate and raise awareness of environmental best practice

Non-financial and sustainability information statement

The Group aims to comply with all areas of the Non-financial reporting requirements contained within sections 414CA and 414CB of the Companies Act 2006. Information regarding non-financial matters is included throughout the Directors' report on pages 24 to 30.

Approved by the Board of Directors and signed on their behalf by:

R Rowney
Director

12 July 2024

Registered Office Address:
Dunn's House, St Paul's Road, Salisbury, Wiltshire, England, SP2 7BF.

Directors' report

The Directors submit their report together with the audited Financial Statements for the year ended 31 December 2023.

Principal activity

These Financial Statements are prepared for Nucleus Financial Platforms Limited and its subsidiaries and present a complete view of the Group's combined operations. In addition to Group Financial Statements, separate Financial Statements have been presented for the Company.

The Group's principal activity is providing the administration of Self Invested Personal Pensions (SIPPs), wrap platform administration, pension portfolio administration and pension scheme administration. Certain subsidiary undertakings within the Group are regulated by the FCA and PRA.

The principal activity of Nucleus Financial Platforms Limited, company number 06033126 (the "Company") is that of an intermediate holding company, and it does not perform any trade. The Company is a private limited company, incorporated and domiciled in England and Wales.

The Group is also a member of the group headed by, and forms part of the Group Financial Statements drawn up by, the parent undertaking, Plutus Topco Limited.

Financial results and dividends

The profit after tax for the financial year of the Group is £44.5m (2022: £22.2m), and for the Company is £6m (2022: £3.7m).

Group paid an interim dividend of £19.4m in December 2023 (2022: £11m).

No further dividends are recommended for payment (2022: £Nil).

Directors

The Directors who served throughout the year for the Company and to the date of this report unless otherwise indicated were as follows:

J Blair
C Bousfield (appointed 1 July 2024)
R Conran
J Davidson (resigned 1 May 2024)
W De Bretton Priestley (resigned 11 January 2023)
A Filshie (appointed 3 January 2024)
S French
R Hoskins
K Purves (resigned 7 June 2024)
M Regan (resigned 3 January 2024)
C Riley (appointed 1 May 2024)
R Rowney
G Wilson

Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group financial statements in accordance with UK-adopted international accounting standards, including interpretations issued by the IFRS Interpretations Committee. The Company financial statements have been prepared in accordance with FRS 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 Company and of the profit or loss of the Group and Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The details of how the Directors have engaged with key stakeholders is set out in the S172 Statement on page 19.

Directors' indemnities

The Group has made qualifying third-party indemnity provisions for the benefit of its Directors, which were made during the year and remain in force at the date of this report.

Political donations

The Group did not make any political donations during the financial year (2022: £Nil).

Statement of going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out above and in the CEO review on pages 7 to 11. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are set out in the Financial Statements. In addition, Notes 3 and 4 to the Financial Statements include the Group's objectives, policies and processes for managing its capital; its financial risk objectives, details of its financial instruments and its exposures to credit risk, liquidity risk and market risk.

The Directors have assessed the Group’s operational resilience and ability to meet its liquidity and capital requirements. In addition, the Directors have performed stress tests on liquidity and capital, for material financial risks including a market downturn and interest rate decreases. These provide assurance that the Group has sufficient capital and liquidity to operate under stressed scenarios.

The Directors believe, after reviewing both the Group’s forecasts and projections and taking into account any likely changes in trading performance, that the Group will have sufficient current financial resources to continue to operate and to meet its financial obligations as they fall due, for at least the 12 months from the date of approval of these Financial Statements.

Research and development

The Group continues to research and develop new financial services products and make a series of incremental improvements, while ensuring continuity of service to its existing customer base. The Group is harnessing James Hay’s pensions expertise and Nucleus’ digital capability to build the best retirement-focused adviser platform for larger adviser firms in the UK.

The Group’s combined scale is enabling us to invest in products, technology, price and service that will deliver better value for its customers. The Group plans to provide the right blend of human service, online proposition and attractive pricing.

Financial risk

Financial risk objectives and policies which have been implemented by Executive Management are set out in **Principal risks and uncertainties** and Note 3 to the Financial Statements.

Financial instruments

The Group’s financial instruments comprise loans to Group undertakings, borrowings, cash and liquid resources, and various items, such as receivables and payables, that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group’s operations.

It is, and has been throughout the year under review, the Group’s policy that no trading in financial instruments shall be undertaken on its own behalf.

Further disclosures regarding financial risk objectives and policies and the Group’s exposure to principal risks can be found in Note 3.

Significant events after the balance sheet date

On 9 February 2024 the Board of Directors of Nucleus Financial Platforms (NFP) reached an agreement to acquire Third Financial Software Limited. The acquisition received regulatory approval from the Financial Conduct Authority on 22 May 2024 and completed on 30 June 2024. The acquisition of Third Financial will result in an additional group of companies becoming part of the Group.

On 1 February 2024, 650 Curtis Banks employees were transferred to FNZ in line with our outsourcing arrangement.

There were no other subsequent events that required adjustment to or disclosure in the Financial Statements for the period from 31 December 2023 to the date upon which the Financial Statements were available to be issued.

Employees

Details of the number of employees and related costs can be found in Note 10 to the Financial Statements.

The Group is committed to equality of access and quality of service for disabled people and embraces the UK Disability Discrimination Acts 1995 and 2005 and the Disability and Equality Act 2010 throughout its business operations. The Group has processes in place to help recruit, train, develop, retain and promote employees from all backgrounds, regardless of age, caring responsibilities, disability, ethnicity, gender, religion or sexual orientation and is committed to giving full and fair consideration to all applications for employment.

The Group is subject to the FCA's enhanced Senior Managers and Certification Regime ("SMCR") and complies fully with these requirements.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the Group as a whole. Communication with all employees continues through online systems and tools, regular company-wide meetings and other briefings.
The Group firmly believes in diversity, equity, and inclusion. For us that's about the culture and workplace we build, how we work together, how well we understand each other and the opportunities we create together. Building the best possible workplace that our people are all proud to be part of is our goal.

Health and safety

The Group is committed to providing a safe and healthy environment in which its employees can work. We use health and safety consultants on an ongoing basis to ensure that standards are maintained and health and safety policies are made available to all staff. These policies are reviewed and updated on an ongoing basis taking into account changes in the law, and staff are notified of any changes that are made.

Human Rights and Modern Slavery Act 2015

The Board gives due regard to human rights considerations and periodically carries out risk assessments to ensure that our suppliers present a very low risk of modern slavery or human trafficking. Additionally, all contractual arrangements with suppliers include a provision in their contracts requiring suppliers to comply with the Modern Slavery Act.

We continue to be aware of our responsibilities and obligations under the Modern Slavery Act and continue to develop our approach to the prevention of modern slavery and human trafficking, managing risks on an on-going basis.

Anti-bribery and corruption

The Board is responsible for the oversight of the Group's Anti-Bribery and Corruption and Whistleblowing policies and is committed to applying the highest standards of ethical conduct and integrity in its business activities. Every employee and individual acting on the Group's behalf is responsible for maintaining our reputation and for conducting business honestly and professionally.

The Group considers that bribery and corruption have a detrimental impact on business by undermining good governance and distorting free markets. The Board and Senior Management are committed to implementing and enforcing effective systems throughout the Group to prevent, monitor and eliminate bribery, in accordance with the UK Bribery Act 2010, which applies to the Company and its subsidiaries. The Group's Whistleblowing policy encourages employees to report any instances of wrongdoing anonymously.

During 2023 there were no instances of non-compliance reported with the Anti-Bribery and Corruption policy.

MiFIDPRU disclosures

On 1 January 2022 the FCA introduced the Investment Firms Directive Regime (IFPR), a new prudential regime for UK firms authorised under the Markets in Financial Instruments Directive (MiFID). The Group has two MiFID firms that are subject to this regime, James Hay Wrap Managers and Nucleus Financial Services Limited. Details of the IFPR rules are outlined in the Prudential Sourcebook for MiFID firms (MIFIDPRU) within the FCA's Handbook at https://www.handbook.fca.org.uk.

The Directors ensure that the level of capital meets the regulatory requirements of MIFIDPRU at all times, and full details of this, alongside quantitative and qualitative risk and risk management information can be found within the MIFIDPRU 8 Disclosure (Pillar 3). This will be available on the Group's website, https://www.nucleusfinancialplatforms.com, when the MIFIDPRU firms have published their financial statements.

Corporate social responsibility and sustainability

Sustainability for Nucleus means creating a successful business for the long-term. Fulfilling our purpose of helping make retirement more rewarding goes hand-in-hand with delivering long-term shareholder value, as well as addressing environmental and societal challenges.

We recognise our role as a responsible corporate citizen and believe that by running our business in a sustainable way, we can have a positive impact on our customers, our employees, the communities in which we operate and the wider environment, whilst delivering consistent profits.

We've developed and implemented a B-Corp inspired sustainability framework that incorporates initiatives established across the Group, such as our diversity, equity and inclusion network and charity committee. We use the framework to measure, track, and target our societal and environmental impact. We've developed plans and long-term ambitions across the six areas of the framework:

- Governance
- Environment
- Our people
- Community
- Customers
- Sustainable investing

Workstreams under each pillar are responsible for progressing our approach and defining our sustainability ambitions in each area. Our sustainability working group meets regularly and is responsible for monitoring and progressing sustainability impact across the business, reporting to our sustainability steering committee, which includes executive level representation.

We are currently working on integrating Curtis Banks' sustainability efforts and initiatives with the wider Nucleus framework.

Environmental initiatives, energy and carbon results

Our environment workstream is responsible for measuring, targeting, and minimising how Nucleus impacts the environment throughout our operations, with the ambition of achieving net zero.

We worked with carbon measurement and reporting platform, Watershed, to measure our comprehensive carbon footprint for the year ended 31 December 2023. This was the second year of completing such a footprint measurement. Conducting a complete carbon measurement enables us to fully understand our environmental impact and set effective decarbonisation targets.

Our Scope 1 and Scope 2 greenhouse gas ("GHG") emissions for the year ended 31 December 2023 totalled 130 tonnes of CO_2e. A breakdown of these metrics and our emissions can be seen in the table below. We report further details of our emissions metrics, in line with the Task Force for Climate-related Financial Disclosures ("TCFD") recommendations, as part of our annual climate-related disclosure report which is available on the Group's website https://www.nucleusfinancialplatforms.com.

Despite an increase in our total emissions, our carbon intensity (as measured by tCO_2e/ £1m of revenue) has remained steady. The increase in emissions was primarily driven by the inclusion of Curtis Banks emissions from acquisition. Further increases were experienced through a continued return to the office, increased business travel, and investment in software. A more detailed narrative commentary of our carbon footprint and impact, our consideration of climate-related risks, and our decarbonisation strategy can also be found in our annual climate related disclosures report.

GHG emissions (tonnes CO_2e) Description	2023	2022
Scope 1 emissions	24	17
Scope 2 emissions (market based)	106	48
Total Scope 1 and Scope 2 emissions	130	65
Total Scope 3 emissions	6,238	4,144

Investing in our communities

The Group has a strong social conscience and aims to have a positive impact on the communities where our people live and work. In December 2022, we launched the Nucleus Foundation, entirely funded by shareholders, and governed by a committee of trustees that represent our locations in Edinburgh, Glasgow, London and Salisbury.

The foundation focuses on five core areas across some of the issues and causes most important to the business and its people.

- The first will be supporting local community causes, adopting a place-based-giving approach to providing grants and financial assistance to causes in the locations where we're based across the UK.
- Encouraging more women into financial advice careers will be another key area of focus for the Foundation, working alongside charities who support the education and development of women into careers in financial advice and planning.
- Aligned with our purpose, the Foundation aims to help make retirement more rewarding and will also support disadvantaged people who are retired or approaching retirement age, by providing grants and working alongside organisations who assist those without access to financial advice or pension products.
- Employee sponsorship and donations will be another core element of the Foundation, with the business boosting funds raised by our people for the charitable causes close to their hearts.
- Finally, funding will also be allocated to provide targeted support for employees and their families in time of need, offering financial assistance in cases of emergency and hardship which are outside of standard workplace policies.

In addition to the Nucleus Foundation, the Group also has a separate charity committee who offer matched funding for our people raising funds for charitable causes. In 2023 this committee oversaw donations of over £15,000 towards doing good in the communities where our people live and work. Including sponsorships of children's football kits, swimming club equipment and donations to repairs of a local school hall.

Nucleus also increased its volunteer day allowance to 3 days per person each year allowing our people to be visibly present in the community and encourage team building through volunteering. In 2024 we have set an ambitious target of encouraging at least 25% of our people to use their full volunteering allowance, have created litter-picking schemes at all sites and will be offering free CPR courses to local community groups and charities at all of our locations.

Auditor

Each of the Directors as at the date of approval of this report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Act.

In accordance with s485 and 487 of the Act Deloitte LLP are deemed to have been re-appointed as auditor of the Group.

Approved by the Board of Directors and signed on their behalf by:

R Rowney
Director

12 July 2024

Registered Office Address:
Dunn's House, St Paul's Road, Salisbury, Wiltshire, England, SP2 7BF.

Independent auditor's report to the members of Nucleus Financial Platforms Limited

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of Nucleus Financial Platforms Limited (the 'parent company') and its subsidiaries (the 'Group') 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 United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework";
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated and parent company statements of comprehensive income;
- the consolidated and parent company statement of financial position;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement;
- the material accounting policy information; and
- the related notes 1 to 40.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law, and United Kingdom adopted international accounting standards and IFRSs as issued by the IASB. 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, including Financial Reporting Standard 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 the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, 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.

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's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained 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 our 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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's and the 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.

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

Extent to which 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 material

misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Group's industry and its control environment, and reviewed the Group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's business sector.

We obtained an understanding of the legal and regulatory framework that the Group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Companies Act, FCA and PRA regulation and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our procedures performed to address it are described below:

- Revenue recognition in relation to unauthorised change or error in the fee rate tables held within the Group's IT platforms. Revenue is made up of a high volume of low value transactions. The majority of revenue recognised is calculated automatically based on the standard rate tables held within the IT platforms. Any unauthorised change or error in the rate tables held within the platforms could impact a significant proportion of fee income recognised.
- We have assessed the design and implementation and operating effectiveness of change management controls over the rate tables held within the IT platforms. We have performed a re-calculation of revenue based on the multiple published rate cards. Where exceptions were identified in our recalculation, we have investigated and performed additional substantive testing on a sample basis.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and the FCA.

Report on other legal and regulatory requirements

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 the directors' report have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

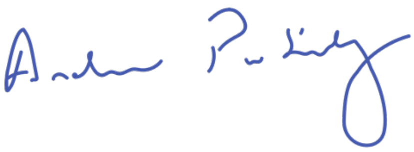
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

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.



Andrew Partridge (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Glasgow, United Kingdom

12 July 2024

Consolidated statement of comprehensive income

For the financial year ended 31 December 2023

		2023		2022
	Notes	£'000	£'000	£'000
Revenue	7		157,179	114,466
Administrative expenses	11		(96,646)	(81,004)
Credit impairment charges			(106)	86
Policyholder investment (losses) / returns	29	110,126		
Non-participating investment contract expenses	29	(9,820)		
Changes in provisions: Non-participating investment contract liabilities		(100,306)		
Policyholder total		-		
Operating profit	**8**		**60,427**	**33,548**
Finance income	12		2,633	506
Finance costs	13		(263)	(169)
Exceptional items	14		(15,826)	(8,505)
Profit on ordinary activities before tax			**46,971**	**25,380**
Tax on the profit on ordinary activities	15		(2,445)	(3,144)
Profit for the financial year			**44,526**	**22,236**
Total comprehensive profit for the financial year			**44,526**	**22,236**

The results in 2023 were derived from continuing operations.

The applicable accompanying Notes 1 to 40 on pages 43 to 86 form an integral part of these Financial Statements.

Consolidated statement of financial position

As at the financial year end 31 December 2023

	Notes	2023 £'000	2022 £'000
Non-current assets			
Intangible assets	16	427,371	164,624
Investment property	17	1,075,300	-
Property, plant and equipment	18	4,363	2,449
Right-of-use assets	19	9,968	3,411
Investments	21	2,126,448	-
Term deposits with credit institutions		5,351	-
Deferred tax asset		-	482
Total non-current assets		**3,648,801**	**170,966**
Current assets			
Trade and other receivables	22	102,910	40,019
Amount due from related parties	34	30,780	9,579
Income tax asset		112	19
Term deposit with credit institutions		176,833	-
Cash and cash equivalents	23	267,032	66,504
Total current assets		**577,667**	**116,121**
Non-current liabilities			
Borrowings	24	(18,811)	-
Lease liabilities	25	(8,050)	(2,469)
Provisions for other liabilities	27	(1,157)	(93)
Non-participating investment contract liabilities	29	(3,460,226)	-
Deferred tax liabilities	15	(49,339)	(15,736)
Total non-current liabilities		**(3,537,583)**	**(18,298)**
Current liabilities			
Trade and other payables	26	(95,838)	(33,556)
Amount due to related parties	34	(8,105)	(10,213)
Borrowings	24	(13,330)	-
Lease liabilities	25	(2,434)	(1,097)
Provisions for other liabilities	27	(17,578)	(2,664)
Income tax liabilities		(4,567)	(1,277)
Total current liabilities		**(141,852)**	**(48,807)**
Net current assets		**435,815**	**67,314**
Total assets less current liabilities		4,084,616	238,280
Net assets		**547,033**	**219,982**
Capital and reserves			
Share capital	30	156,290	156,290
Share premium	30	300,000	-
Other reserves	31	18,507	16,582
Retained earnings	33	72,236	47,110
Shareholders' funds		**547,033**	**219,982**

The accompanying Notes 1 to 40 on pages 43 to 86 form an integral part of these Financial Statements

The Financial Statements were approved and authorised for issue by the Board:

R Rowney
Director

12 July 2024

Registered Office Address:
Dunn's House, St Paul's Road, Salisbury, Wiltshire, SP2 7BF

Registered in England and Wales: 06033126.

Consolidated cash flow statement

For the financial year ended 31 December 2023

	Notes	2023 £'000	2022 £'000
Cash flows from operating activities			
Cash generated from operations	37	(11,597)	30,867
Interest received		2,633	337
Income tax credited / (paid)		(537)	(1,450)
Addition of financial investments		(145,335)	-
Disposal of financial investments		160,036	-
Addition of investment properties		(20,562)	-
Disposal of investment properties		20,021	-
Repayment of borrowings		(1,896)	-
Increase in liability for investment contracts		57,698	-
Net cash generated from operating activities		**60,461**	**29,754**
Cash flows from investing activities			
Purchase of property, plant and equipment	18	(1,872)	(1,045)
Acquisition of intangible assets	16	(1,563)	(125)
Acquisition of a subsidiary undertaking less cash acquired		(230,814)	-
Net cash used from investing activities		**(234,249)**	**(1,170)**
Cash flows from financial activities			
Principal (repayments) / advances of lease liabilities		(2,182)	(2,057)
Interest paid		(23)	-
Movement in loans due from related parties		(21,201)	(5,790)
Movement in loans due to related parties		(2,108)	1,560
Proceeds from the issue of share capital		300,000	-
Dividends paid		(19,400)	(11,000)
Net cash generated / (used) from financing activities		**255,086**	**(17,287)**
Increase in cash and cash equivalents		**81,298**	**11,297**
Cash and cash equivalents at the beginning of the financial year		66,504	55,207
Cash affiliated with policyholders - 1st October 2023		119,224	-
Effects of exchange rate changes		6	-
Cash and cash equivalents at end of financial year	23	**267,032**	**66,504**

The accompanying Notes 1 to 40 on pages 43 to 86 form an integral part of these Financial Statements.

Consolidated statement of changes in equity

For the financial year ended 31 December 2023

	Notes	Share capital £'000	Share premium £'000	Other reserves £'000	Profit and loss account £'000	Total Equity £'000
1 January 2022		**156,290**	**-**	**16,582**	**35,874**	**208,746**
Profit for the financial year	33	-	-	-	22,236	22,236
Transactions with owners for the year						
Dividends paid	33	-	-	-	(11,000)	(11,000)
31 December 2022		**156,290**	**-**	**16,582**	**47,110**	**219,982**
1 January 2023		**156,290**	**-**	**16,582**	**47,110**	**219,982**
Profit for the year	33	-	-	-	44,526	44,526
Transactions with owners for the year						
Issue of share capital		-	300,000	-	-	300,000
Capital contribution from parent		-	-	1,925	-	1,925
Dividends paid	33	-	-	-	(19,400)	(19,400)
31 December 2023		**156,290**	**300,000**	**18,507**	**72,236**	**547,033**

The Statement of Comprehensive Income outlined on page 35 and the accompanying Notes 1 to 40 on pages 43 to 86 form an integral part of these Financial Statements.

Parent company statement of comprehensive income

For the financial year ended 31 December 2023

	Notes	2023 £'000	2022 £'000
Revenue		-	-
Administrative expenses	11	(2,247)	(53)
Operating loss	**8**	**(2,247)**	**(53)**
Exceptional items	14	(1,707)	4,503
Inter-company dividends received		10,289	-
Profit on ordinary activities before tax		**6,335**	**4,450**
Tax on profit on ordinary activities	15	(373)	(738)
Profit for the financial year		**5,962**	**3,712**
Total comprehensive profit for the financial year		**5,962**	**3,712**

The total comprehensive profit for the year is wholly attributable to the equity holders of the Company.

All results were derived from continuing operations.

The applicable accompanying Notes 1 to 40 on pages 43 to 86 form an integral part of these Financial Statements.

Parent company statement of financial position

As at the financial year ended 31 December 2023

	Notes	2023 £'000	2022 £'000
Non-current assets			
Investment in subsidiaries	20	491,152	253,164
Loans due from related parties	34	8,300	-
Total non-current assets		**499,452**	**253,164**
Current Assets			
Amounts due from related parties	34	37,561	22,268
Cash and cash equivalents	23	42,384	919
Total current assets		**79,945**	**23,187**
Current liabilities			
Trade and other payables	26	(254)	(44)
Income tax liabilities		(397)	(75)
Amount due to related parties	34	(40,436)	(26,409)
Total current liabilities		**(41,087)**	**(26,528)**
Net current assets		**38,858**	**(3,341)**
Total assets less current liabilities		**538,310**	**249,823**
Net assets		**538,310**	**249,823**
Capital and reserves			
Share capital	30	156,290	156,290
Share premium		300,000	-
Other reserves	31	21,462	19,537
Retained earnings	33	60,558	73,996
Shareholders' funds		**538,310**	**249,823**

The applicable accompanying Notes 1 to 40 on pages 43 to 86 form an integral part of these Financial Statements.

The Financial Statements were approved and authorised for issue by the Board:

R Rowney
Director

12 July 2024

Registered Office Address:
Dunn's House, St Paul's Road, Salisbury, Wiltshire, SP2 7BF

Registered in England and Wales: 06033126.

Parent company statement of changes in equity

For the financial year ended 31 December 2023

	Notes	Share capital £'000	Share premium £'000	Other reserves £'000	Profit and loss account £'000	Total Equity £'000
1 January 2022		**156,290**	**-**	**19,537**	**81,284**	**257,111**
Profit for the year	33	-	-	-	3,712	3,712
Transactions with owners for the year						
Dividends paid		-	-	-	(11,000)	(11,000)
31 December 2022		**156,290**	**-**	**19,537**	**73,996**	**249,823**
1 January 2023		**156,290**	**-**	**19,537**	**73,996**	**249,823**
Profit for the year	33	-	-	-	5,962	5,962
Transactions with owners for the year						
Capital contributions from parent		-	-	1,925	-	1,925
Issue of share capital		-	300,000	-	-	300,000
Dividends paid		-		-	(19,400)	(19,400)
31 December 2023		**156,290**	**300,000**	**21,462**	**60,558**	**538,310**

The Statement of Comprehensive Income outlined on page 40 and the applicable accompanying Notes 1 to 40 on pages 43 to 86 form an integral part of these Financial Statements

Notes to the Financial Statements

1. Company information

The principal activity of the Company is that of an intermediate holding company and it does not perform any trade. The Company is a private limited company registered in England and Wales, limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is Dunn's House, St Paul's Road, Salisbury, Wiltshire, England, SP2 7BF.

The Group's principal activity is providing the administration of Self Invested Personal Pensions (SIPPs), wrap platform administration, pension portfolio administration and pension scheme administration. Certain subsidiary undertakings within the Group are regulated by the FCA.

2. Summary of material accounting policies

Statement of compliance

The Consolidated Financial Statements of the Group have been prepared in accordance with UK-adopted international accounting standards, including interpretations issued by the IFRS Interpretations Committee, and the separate Financial Statements of the Company have been prepared in accordance with FRS 101: "Reduced Disclosure Framework" (FRS 101). The material accounting policies applied in the preparation of the Financial Statements are set out below, and in the relevant Notes to the Financial Statements. The accounting policies set out in Note 2 have been applied consistently in preparing the Financial Statements for the year ended 31 December 2023 and 2022.

The Company has elected to apply the following disclosure exemptions in accordance with FRS 101, when preparing these Financial Statements:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share-based payments
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and b67 of IFRS 3 Business Combinations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:-
  - paragraph 79(a)(iv) of IAS 1 Presentation of Financial Statements
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment
  - paragraph 118(e) of IAS 38 Intangible Assets
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures
- 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 a member

2. Summary of material accounting policies (continued)

- the requirements of paragraphs 134(d) to 134(f) and 135€ of IAS 36 Impairment of Assets
- disclosure of key management personnel remuneration
- disclosure of amounts incurred by the entity for the provision of key management personnel services that are provided by a separate management entity (IAS 24.18A)

Basis of preparation

The financial statements have been prepared under the historical cost convention.

The Directors believe, after reviewing both the Group's forecasts and projections and taking into account any relevant macro-economic factors including inflation and interest rate movements, and changes in trading performance, that the Group will have sufficient current financial resources to continue to operate and to meet its financial obligations as they fall due, for at least the 12 months from the date of approval of these financial statements. The Group therefore continues to adopt the going concern basis in preparing its financial statements. Further information relevant to the Directors' assessment of going concern is set out in the Directors' Report.

The financial statements have also been presented and rounded to the nearest thousand.

Adoption of new and revised standards

Newly mandatorily effective in the current period

Amendment	Summary	Mandatory application date
IFRS 17 and amendments to IFRS 17	Insurance Contracts	1 Jan 2023
Amendments to IFRS 4	Extension of the Temporary Exemption from Applying IFRS 9	1 Jan 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of accounting policies.	1 Jan 2023.
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 Jan 2023
Amendments to IAS 8	Definition of accounting estimates	1 Jan 2023
Amendments to IFRS 17	Initial Application of IFRS 17 and IFRS 9 — Comparative Information	1 Jan 2023
Amendments to IAS 12	International Tax Return – Pillar Two Model Rules	1 Jan 2023
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	1 Jan 2024
IFRS S2 – Climate-related Disclosures	IFRS S2 – Climate-related Disclosures	1 Jan 2024

The Group has evaluated these requirements and they do not have significant impact to the Group's Financial Statements.

2. Summary of material accounting policies (continued)

Issued but not yet mandatorily effective

Amendment	Summary	Mandatory application date
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	1 Jan 2024
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements	1 Jan 2024
Amendments to IAS 1	Non-current Liabilities and Covenants	1 Jan 2024
Amendments to IAS 1	Classification of Liabilities as current or non-current	1 Jan 2024
Amendments to IAS 1	Classification of Liabilities as current or non-current – Deferral of effective date	1 Jan 2024
Amendments to IAS 21	Lack of exchangeability	1 Jan 2025

The Group is currently evaluating the requirements of the standards and amendments. The Group does not anticipate that the application of these in the future will have a material impact on the Group's Financial Statements.

There are other standards and interpretations in issue not listed above. These are not considered applicable to the business.

Functional and presentation currency

Items included in the Financial Statements of the Group are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). The Financial Statements are presented in "GBP" (£), which is the Group's presentation and functional currency.

Consolidated Financial Statements

The Group applies IFRS 10 Consolidated Financial Statements. The consolidated Financial Statements combine the Financial Statements of the Company and all its subsidiaries. Subsidiaries are entities over which the Group has control. Under IFRS 10, this is when the Group is exposed to or has rights to variable returns from its involvement in the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it controls an entity if facts and circumstances indicate that there have been changes to its power, its rights to variable returns or its ability to use its power to affect the amount of its returns. Consolidation of a subsidiary begins when the parent company obtains control over the subsidiary and ceases when the parent company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the parent company gains control until the date when the parent company ceases to control the subsidiary Intra-group transactions and balances are eliminated on consolidation and consistent accounting policies are used throughout the Group for the purposes of the consolidation. Changes in ownership interests in subsidiaries are accounted for as equity transactions if they occur after control has been obtained and they do not result in loss of control.

Suffolk Life Annuities Limited, a subsidiary of the Group, provides SIPPs through non-participating individual insurance contracts. As such, it is authorised as an insurance company and the consolidated results for the whole Group also include Suffolk Life Annuities Limited's insurance policyholder assets, liabilities and returns.

2. Summary of material accounting policies (continued)

Revenue recognition

Revenue comprises fees from revenue streams where the provision of services satisfies performance obligations at a point in time or services relating to performance obligations that are satisfied over time. Revenue relating to services provided over time are recognised in line with the progress towards the satisfaction of the obligations. The Group applies the 5 step model under IFRS 15 Revenue from Contracts with Customers to recognise revenue.

Revenue is disaggregated under the following categories with the respective recognition policy for each category detailed below:

Annual fees

Annual fees are charged when the contingent events that give rise to the right to receive those fees, typically renewal, have occurred. The fee relates to administrative services that are provided over time. A liability equal to the amount received is recognised as deferred income and is reduced over the year on a straight-line basis with the reduction recognised as revenue.

Transaction fees

Transaction fees are recognised as revenue when the contingent events which give rise to the right to receive a transaction fee have occurred which satisfies a performance obligation at a point in time.

Asset based fees

Asset based fees include Wrap platform and SIPP administration fees that are charged monthly in arrears, as a percentage of eligible assets, based on the value of those assets either at the end of each month or on a daily valuation basis depending on the agreement with the client. These are recognised as revenue in the month to which they relate with performance obligations satisfied over time.

Asset based fees also include an interest spread on money earned on cash and is net of the amount passed to the client. Interest earned arises as a result of an arrangement between the firm and the credit institution where the cash is held. Accordingly, margin on cash is accounted for under IFRS 9 Financial instruments. It is recognised as it accrues.

Other revenue

Other revenue relating to FinTech is recognised in line with satisfaction of contractual performance obligations. Revenue associated with licence and post contract support obligations are recognised on a straight-line basis over time throughout the contract period. Revenue relating to implementation and IT consultancy services are billed according to standard rate cards on a time and expense basis. Therefore, they are recognised as and when measurable progress is made and at full when the specific engagement is completed.

Accounting for exceptional items

IFRS does not explicitly describe events or items of income or expense as exceptional, so the Group has adopted an income statement format which seeks to highlight significant items within the Group's results for the year. Such items include restructuring costs, litigation settlements, remediation expenditure, sanction charges, significant non-recurring project costs and costs relating to acquisitions and disposals. Judgement is used by the Group in assessing the particular items, that by virtue of their scale and nature, should be disclosed in the Consolidated Statement of Comprehensive Income and/or Notes to the Financial Statements as exceptional items. These items require separate disclosure in the Financial Statements to facilitate a better understanding of the Group's financial performance.

2. Summary of material accounting policies (continued)

Pensions and other post-retirement benefits

The Group operates a defined contribution pension scheme. The pension charge represents the amounts payable by the Group to the scheme in respect of the year and contributions are recognised as an expense when they are due. Once the contributions have been paid, the Group has no further payment obligations. The assets of the scheme are held separately from those of the Group in an independently administered fund.

Non-participating investment contracts

The Group offers unit linked Self-Invested Personal Pension policies, also referred to as the "policyholder" business, wholly administered by Suffolk Life Annuities Limited, a subsidiary company. The liability of the Group towards its policyholders is exactly equal to the value of policyholder assets held at all times.

Non-participating investment contract liabilities are measured at fair value by reference to the value of the underlying assets held to cover investment contracts at the Statement of Financial Position date.

For non-participating investment contracts, premiums are not included in the consolidated Statement of Comprehensive Income but are reported as contributions to non-participating investment contract liabilities in the consolidated Statement of Financial Position. Investment income in respect of non-participating investment contracts is accounted for in "Investment return". Investment return includes dividends, rental and interest income.

Expenses and charges in respect of non-participating investment contracts are accounted for in "non-participating investment contract expenses". These expenses include investment management fees and interest payable.

Claims are not included in the consolidated Statement of Comprehensive Income but are deducted from non-participating investment contract liabilities.

Transfers out, annuity purchases and drawdowns are accounted for when the associated assets have been transferred out of the Group. Acquisition costs comprising direct and indirect costs arising from the conclusion of non-participating investment contracts are expensed on receipt of the inwards premium. There are no deferred acquisition costs.

Purchases and sales of investments are recognised on the trade date, which is the date that the Group commits to purchase or sell the assets, at their fair value less transaction costs. Investments carried at fair value are measured using a fair value hierarchy, with values based on quoted bid prices where available. Gains and losses of investments are recognised in the Statement of Comprehensive Income.

Investment property held within non-participating investment contracts comprises land and buildings which are held for long term rental yields and capital growth. It is carried at fair value with movements recognised in the consolidated Statement of Comprehensive Income.

Unquoted investments in investment property and direct holdings in investment property are valued by independent valuers on the basis of open market value as defined in the appraisal and valuation manual of the Royal Institute of Chartered Surveyors or by reference to the movement in a property index from the last purchase or valuation date. Valuation techniques may include discounted cash flow calculations using net current rent, and estimated and terminal values; they may also include yield methodology calculations using market rental values capitalised with a market capitalisation rate. Both of these are further validated against market transactions to produce a final valuation.

2. Summary of material accounting policies (continued)

Investments in subsidiaries

In the Company Financial Statements, investments in subsidiaries are measured at cost less impairment. The Company determines whether it is necessary to recognise an impairment loss on its investment in subsidiary. At each reporting date, the Company determines whether there is objective evidence that the investment in the subsidiary is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the Subsidiary and its carrying value, and then recognises the loss in the Statement of Comprehensive Income.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in the Consolidated Income Statement. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint arrangement or financial asset. In addition, any amounts previously recognised in Other Comprehensive Income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in Other Comprehensive Income are reclassified to the Consolidated Statement of Comprehensive Income.

Contingent consideration, which may be received in the future, in relation to businesses sold is recognised based on management's assessment of the fair value of the receivable.

Property, plant and equipment

Property, plant and equipment is stated at cost, or deemed cost, less accumulated depreciation and impairment losses. Subsequent costs are included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the replaced item can be measured reliably. The carrying amount of the replaced part is derecognised. All repair and maintenance costs are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

Property, plant and equipment are depreciated over their useful economic life on a straight-line basis at the following rates:

Office and computer equipment	3 – 5 years
Fixtures and fittings	4 – 5 years
Short term lease hold property	10 years

The residual value and useful life of property, plant and equipment are reviewed and adjusted, if appropriate, at least annually. On disposal of property, plant and equipment, the cost and related accumulated depreciation and impairments are removed from the Financial Statements and the net amount, less any proceeds, is recognised in the Consolidated Statement of Comprehensive Income.

Intangible assets

Computer software is stated at cost, less amortisation and impairment losses, if any. Costs incurred on the acquisition of computer software are capitalised, as are costs directly related to developing the software where the software supports a business system and the criteria specified below are met. Costs associated with maintaining software are recognised as an expense when incurred. Capitalised computer software is amortised over 5 years. The residual value and useful life of computer software are reviewed and adjusted annually, if required.

2. Summary of material accounting policies (continued)

Intangible assets (continued)

The carrying amount of intangible assets is derecognised on disposal or when no future economic benefit is expected from its use or disposal. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Comprehensive Income immediately.

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects are recognised as intangible assets when the following criteria are fulfilled:

- it is technically feasible to complete the intangible asset so that it will be available for use or sell;
- management intends to complete the intangible asset to use it;
- there is an ability to use the asset;
- it can be demonstrated how the intangible assets will generate future economic benefits;
- adequate technical, financial and other resources to complete the development are available; and
- the expenditure attributable to the intangible asset during its development can be reliably measured

Other development expenditure, that does not meet these criteria, is recognised as an expense as incurred. Development costs, previously recognised as an expense, are not recognised as an asset in a subsequent period. Capitalised development costs are recognised as intangible assets and are amortised from the point at which the assets are ready for use on a straight-line basis over their useful lives. Development assets are tested annually for impairment.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at acquisition date. Subsequent to initial recognition they are stated at cost, which is the fair value on acquisition date, less amortisation and impairment losses. The useful lives of these intangible assets as determined at acquisition date are:

Trade names	10 - 12 years
Customer relationships	12 - 21 years
Computer software	7 years

Other intangible assets

Other intangible assets, including licenses are stated at cost less amortisation and provisions for impairment. Intangible assets acquired are amortised over their useful lives from the time they are first available for use. The useful lives are determined at acquisition date and currently range from 5 to 15 years. The residual value and useful lives of other intangible assets are reviewed and adjusted at the end of each reporting period, if required.

Impairment of assets excluding goodwill

Assets that are subject to amortisation or depreciation are reviewed for impairment when events or circumstances indicate that the carrying amounts may be impaired or may not be recoverable, and at least annually. An impairment loss is recognised to the extent that the carrying value of the asset exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

2. Summary of material accounting policies (continued)

Goodwill

The carrying value of goodwill is determined in accordance with IFRS 3 Business Combinations and IAS 36 Impairment of Assets. Goodwill arising on the acquisition of subsidiaries represents the excess of the fair value of the purchase consideration over the fair value of the Group's share of the assets acquired and the liabilities and contingent liabilities assumed on the date of the acquisition. Goodwill is reviewed annually for impairment, or more frequently when there are indications that impairment may have occurred. The test involves comparing the carrying value of a cash generating unit (CGU) including goodwill with the present value of the pre-tax cash flows, discounted at a rate of interest that reflects the inherent risks, of the CGU to which the goodwill relates, or the CGU's fair value less cost to sell if this is higher.

Financial assets

The Group applies IFRS 9 Financial Instruments to the recognition, classification and measurement, and derecognition of financial assets and the impairment of financial assets. Financial assets are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provision of the instrument and are initially measured at fair value. All recognised financial assets are subsequently measured at amortised cost or fair value through profit or loss (FVTPL) depending on the classification of the financial assets. Financial assets at FVTPL are measured at fair value at the end of each reporting period with any fair value gains or losses recognised in profit or loss.

Impairment of financial assets

Trade and other receivables are subsequently measured at amortised cost. The Group uses an Expected Credit Loss (ECL) model when calculating the allowance for lifetime ECLs. An ECL arises when the contractual cash flows owed to an entity are expected to not be paid (either in whole or in part). Under the ECL model, the Group calculates an allowance for ECL by considering possible outcomes weighted by the probability of their occurrence when measuring an asset's credit risk. The Group uses an ECL matrix for determining ECLs on trade receivables. The Group's current policy incorporates both quantitative and qualitative factors based on the characteristics, credit history and demographic of its client base, as well as the probability of defaults in the future, based on historical trends and likelihood of future recovery, assessing the credit profile and ability to fulfil future payment obligations.

Trade and other receivables are stated after impairment, and the carrying amount of the asset is reduced through the use of an ECL account and the loss is recognised in the Statement of Comprehensive Income. When a trade receivable is uncollectible, it is written off against the provision for trade receivables. Subsequent recoveries are credited against the amounts previously written off in the Statement of Comprehensive Income. When a trade receivable is uncollectible it is derecognised.

In the Company Financial Statements, amounts due from Group companies are unsecured, non-interest bearing and repayable on demand. There are no loss allowances on balances due from Group companies as the probability of default is negligible.

Trade and other receivables

Trade receivables and other receivables are amounts due for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2. Summary of material accounting policies (continued)

Trade and other receivables (continued)

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, the trade receivables have been grouped based on shared credit risk characteristics and overall credit quality.

Trade receivables are written off when there is no reasonable expectation of recovery.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same.

Cash and cash equivalents

Cash and cash equivalents comprise balances with less than three months maturity from the date of acquisition, including cash and non-restricted balances with central banks, treasury bills and other eligible bills, loans and advances to banks, amounts due from other banks and high quality and highly liquid short-term investments in securities.

Financial liabilities

The Group applies IFRS 9 Financial Instruments to the recognition, classification and measurement, and derecognition of financial liabilities. Financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value and subsequently at amortised cost using the effective interest method or FVTPL. Any gains or losses arising on changes in fair value are recognised in profit or loss.

Trade and other payables

Trade and other payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Leases

The Group assesses whether a contract is or contains a lease at the inception of the contract and applies IFRS 16 to all leases.

The Group applies the recognition exemption in IFRS 16 for leases with a term not exceeding 12 months or leases which the underlying asset is of low value. For these leases the lease payments are recognised as an expense on a straight line basis over the lease term unless another systematic basis is more appropriate.

When the Group is the lessee, it is required to recognise both:

- a lease liability, measured at the present value of remaining cash flows on the lease, and
- a right of use (ROU) asset, measured at the amount of the initial measurement of the lease liability, plus any lease payments made prior to commencement date, initial direct costs, and estimated costs of restoring the underlying asset to the condition required by the lease, less any lease incentives received.

Subsequently the ROU asset will depreciate to the Statement of Comprehensive Income over the life of the lease, using the effective interest rate method on a straight line basis.

2. Summary of material accounting policies (continued)

Leases (continued)

The lease liability is remeasured when there is a change in one of the following:

- future lease payments arising from a change in an index or rate;
- the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- the Group's assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in the Statement of Comprehensive Income if the carrying amount of the ROU asset has been reduced to nil.

On the balance sheet, the ROU assets are included within property, plant and equipment and the lease liabilities are included within liabilities.

Income tax

The income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

2. Summary of material accounting policies (continued)

Income tax (continued)

Deferred tax (continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Provisions for other liabilities

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits would be required to settle the obligation and the amount has been reliably estimated. The amount recognised as provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Other reserves

Plutus Topco Limited and its subsidiaries operate two share based compensation schemes. IFRS 2 requires that the Group's share of fair value of the employee services received in exchange for the share awards granted is recognised as an employee expense in the Consolidated Statement of Comprehensive Income. As the subsidiaries have no obligation to settle the share based payment transaction there is a corresponding increase in equity under other reserves. The fair value for both schemes is determined through a binomial model which values the shares as if they were zero-cost options as at the date of grant. The total amount to be expensed over the vesting period is determined by reference to the fair value of the share awards granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of equity instruments that are expected to vest. At the end of the reporting period, the Group revises its estimates of the number of share awards that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the Consolidated Statement of Comprehensive Income, with a corresponding adjustment to equity over the remainder of the vesting period.

3. Financial risk

The Group's activities expose it to a number of financial risks including: credit risk, liquidity risk and market risk. Details on how the Group mitigates these risks are included within the Principle risks and uncertainties section on page 13.

Credit risk

Credit risk is the risk that counterparties will not meet their financial obligations and may result in the Group losing the principal amount lent, the interest accrued and less any security held. It potentially could occur on trade receivables, intercompany assets and cash held by the Group, although inter-company assets are repayable on demand and the probability of default is negligible.

Group

The Group's maximum exposure to credit risk is £583m (2022: £116m).

As of 31 December 2023, trade and other receivables of £50.7m including policyholder of £17.7m (2022: £3.8m) were past due but not impaired. These relate to a wide range of clients for whom there is no expectation of default. The ageing analysis of these trade receivables less policyholder is as follows:

	31 December 2023 £'000	31 December 2022 £'000
Good quality	26,014	1,860
Satisfactory quality	2,315	193
Low quality	2,655	166
Credit impaired	2,046	1,588
Total	33,030	3,807

As of 31 December 2023, trade receivables of £11.6m including policyholder of £6.9m (2022: £0.4m) were impaired and provided for. Management assesses that at least the receivable amount net of loss allowance will be recovered. The ageing of these receivables less policyholder is as follows:

	31 December 2023 £'000	31 December 2022 £'000
Good quality	2,972	37
Satisfactory quality	166	33
Low quality	853	30
Credit impaired	747	305
Total	4,738	405

The Group does not have any material exposure to any specific customer or group of customers.

Parent company

The Company's maximum exposure to credit risk is £80m (2022: £23m) and there were no trade and other receivables that were past due (2022: £Nil).

The Company does not have any material exposure to any specific customer or group of customers.

3. Financial risk (continued)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

There are sufficient current assets to settle other payables, external to the Group, as they fall due.

Group

Maturities of financial liabilities

At 31 December 2023	Demand £'000	Up to 3 months £'000	3-12 months £'000	1-5 years £'000	Over 5 years £'000	Total £'000
Amounts due to related parties	8,105	-	-	-	-	8,105
Other liabilities	-	63,960	34,305	-	-	98,265
Total financial liabilities	8,105	63,960	34,305	-	-	106,370

At 31 December 2022	Demand £'000	Up to 3 months £'000	3-12 months £'000	1-5 years £'000	Over 5 years £'000	Total £'000
Amounts due to related parties	10,213	-	-	-	-	10,213
Other liabilities	10	23,805	9,741	-	-	33,556
Total financial liabilities	10,223	23,805	9,741	-	-	43,769

Parent company
Maturities of financial liabilities

At 31 December 2023	Demand £'000	Up to 3 months £'000	3-12 months £'000	1-5 years £'000	Over 5 years £'000	Total £'000
Amounts due to related parties	40,436	-	-	-	-	40,436
Other liabilities	-	254	-	-	-	254
Total financial liabilities	40,436	254	-	-	-	40,690

At 31 December 2022	Demand £'000	Up to 3 months £'000	3-12 months £'000	1-5 years £'000	Over 5 years £'000	Total £'000
Amounts due to related parties	26,409	-	-	-	-	26,409
Other liabilities	-	44	-	-	-	44
Total financial liabilities	26,409	44	-	-	-	26,453

Market risk

Market risk is the potential for loss of income or decrease in the value of net assets caused by movements in the levels and prices of financial instruments. The majority of market risk arises as a result of changes in interest rates and movement in global stock markets.

3. Financial risk (continued)

Group

Based on the average cash balances controlled by the Group during the year, a 50bps adverse movement (decrease) in interest rates would result in a decrease in operating profit of £6.9m (2022: £6.2m) and a favourable movement (increase) would result in an increase in operating profit of £6.9m (2022: £6.2m).

Based on the average assets that are subject to a basis point fee held by the Group during the year, a 20% drop in value would result in a decrease in operating profit of £26m (2022: £13.1m) and an increase would result in an increase in operating profit of £26m (2022: £12.1m).

Parent company

The Company does not have any exposure relating to average assets held.

4. Capital management and resources

Capital management and capital allocation

The Board of Directors are responsible for capital management strategy and policy and ensuring that capital resources are appropriately monitored and controlled within regulatory and internal limits within the Group.

The Group's access to shareholder capital, robust capital structure, solvency position, high conversion rate of profit to cash, low borrowings and available liquidity mean that it remains well positioned to absorb the impact of a sustained collapse in equity markets or other material risks.

The Group's primary objective in respect of capital risk management is to safeguard its ability to continue as a going concern in order to protect customers and provide returns for its shareholders.

The Group may on occasion adjust the amount of dividends paid out to its shareholders, return capital to members and issue new shares or buy back shares as the need arises.

Capital adequacy

Certain subsidiary undertakings within the Group are regulated by the FCA and the Group's core Tier 1 capital consists of shareholders' equity including the capital contribution reserve and accumulated profits as at 31 December 2023. The Group has maintained compliance with the required regulatory capital requirements throughout the period.

5. Critical accounting judgements and key sources of estimation uncertainty

In applying the Group's accounting policies, which are described in Note 2, the Directors are required to make judgements, estimates and assumptions to determine the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

5. Critical accounting judgements and key sources of estimation uncertainty (continued)

Critical accounting judgements in applying the Group's accounting policies

The following critical judgements, apart from those involving estimations (which are presented separately), have been made by the Directors in applying the Group's accounting policies

- Provisions for legal remediation & sanction costs (Note 27).

The Group's pension products allow for a variety of investment options, including Non-Standard Investments ("NSIs"). These typically include Unregulated Collective Investment Schemes and unlisted shares, and cannot be promoted to retail customers because they are usually associated with higher risk and illiquidity. NSIs can only be accepted if robust due diligence requirements are met, which is aligned with the FCA's rules and guidance. Although the Group does not provide investment advice, it could still be held responsible by the FCA in its capacity as SIPP operator and platform when it comes to investment in NSIs. As a result of the Group's acquisition of client portfolios and organic growth, there is a broad exposure to NSIs. However, liabilities for NSI due diligence prior to acquisition of the SIPP books remains with original providers.

During the year ended 31 December 2023, detailed reviews were carried out and management have concluded as a result that a revised provision of £14.7m should be recognised in respect of NSI client compensation and a contingent liability of £3.4m be disclosed. Judgement was required in determining the existence of a present obligation and the various probability weighted outcomes associated with each of the underlying NSIs and associated customer circumstances.

Where an outcome was expected to potentially result in an outflow of economic resources, estimates of the associated exposure have been provided for or disclosed as a contingent liability by reference to indexed original NSI purchase value plus an estimate of costs to remediate, including legal fees and client redress. Indexation estimates are by reference to rates set out by the regulator and therefore had limited estimation uncertainty. Costs to remediate are not expected to be material based on historic experience of similar cases and are also deemed to have limited estimation uncertainty.

- Impairment assessments on Cash Generating Units

The Group has established seven cash generating units ("CGUs") that are closely aligned to the Group's subsidiaries and their distinct cash flows: namely James Hay Wrap Managers Limited ("JHWM"), James Hay Administration Company Limited ("JHAC"), Nucleus Financial Services Limited ("NFS"), IPS Pension Limited ("IPS"), The IPS Partnership Plc ("PAL"), Curtis Banks ("CB") and Dunstan Thomas ("DT"). There is goodwill associated with all of the CGUs that is not amortised, and therefore these amounts are subject to annual impairment assessment. Additionally, CGU's are assessed for impairment where indications of impairment arise. The definition of the CGUs is the judgement applied.

Key Sources of estimation uncertainty

The Group makes estimates and assumptions concerning the future. The estimates and associated assumptions are based on the Group's historical experience and other relevant factors. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are provisions and contingencies described above, and fair value assessment of the business combinations.

5. Critical accounting judgements and key sources of estimation uncertainty (continued)

Determining fair value of the business acquired (Curtis Banks Group) during 2023, particularly estimating the value of identified intangible assets other than goodwill, represents a key accounting estimate that involves expectations of future cashflows amongst other assumptions which are subjective and uncertain. To improve the accuracy and reliability of this estimate, the Group engaged third-party valuation specialists to perform the acquisition accounting and valuation assessments. They provided the necessary expertise and independence to validate the fair value of the business acquired, offering additional assurance in the estimation which management consider are materially accurate. Further details of the business combination are disclosed in note 39.

6. Financial review

	Notes	2023 £'000	2022 £'000
Revenue	7	157,179	114,466
Staffing expenses	10	(59,867)	(40,054)
Other expenses	11	(26,496)	(26,796)
Credit impairment charges		(106)	86
Adjusted profit for the financial year		**70,710**	**47,702**
Depreciation and amortisation	16, 18, 19	(10,283)	(14,154)
Operating profit		**60,427**	**33,548**
Exceptional items	14	(15,826)	(8,505)
Finance income	12	2,633	506
Finance cost	13	(263)	(169)
Profit / (loss) on ordinary activities before taxation		**46,971**	**25,380**

*Adjusted profit represents EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation), excluding Exceptional items

The Group's management believes that the Non-UK IFRS performance measure disclosed above provides valuable information to the users of the Financial Statements as it enables the user to identify a more consistent basis for comparing the business' performance between financial periods. Additionally, the Group's management believes that the Non-UK IFRS performance measure provides more detail concerning the elements of performance which the managers of the Group are most directly able to influence or are relevant for an assessment of the Group. They also reflect an important aspect of the way in which operating targets are defined and performance is monitored by the Group's Management. However, such Non-UK IFRS performance measures are not a substitute for UK IFRS measures and users should consider the UK IFRS measures as well.

As described in note 39, Nucleus acquired Curtis Banks Group on 26 September 2023. Suffolk Life Annuities Limited, a trading subsidiary of Curtis Banks Group, provides SIPPs through non-participating individual insurance contracts. As such, it is regarded as an insurance company for the purposes of regulatory and statutory reporting. Due to Suffolk Life Annuities Limited's status as an insurance company, the consolidated results for the whole Group are now required to include Suffolk Life Annuities Limited's insurance policyholder assets, liabilities and returns. As these are non-participating investment contracts, the Group does not bear any insurance risk. Assets administered by the rest of the Group are held in trust and not under insurance contracts, and therefore do not need to be included on the balance sheet. As the policies are non-participating investment contracts, the client related assets and liabilities match, with all revenue, expense and investment return related to such policies due wholly back to the policies. Such movements and balances are presented separately between shareholder and policyholder in the tables below.

6. Financial review (continued)

IFRS Consolidated Statement of Financial Position as at 31 December 2023 split between insurance policy holders and the Group's shareholders

	2023 £'000 Group Total	2023 £'000 Policyholder	2023 £'000 Shareholder	2022 £'000 Shareholder
Non-current assets				
Intangible assets	427,371	-	427,371	164,624
Investment property	1,075,300	1,075,300	-	-
Property, plant and equipment	4,363	-	4,363	2,449
Right-of-use assets	9,968	-	9,968	3,411
Investments	2,126,448	2,126,448	-	-
Term deposits with credit institutions	5,351	5,351	-	-
Deferred tax asset	-	-	-	482
Total non-current assets	**3,648,801**	**3,207,099**	**441,702**	**170,966**
Current Assets				
Trade and other receivables	102,910	13,664	89,246	40,019
Amount due from related parties	30,780	-	30,780	9,579
Income tax asset	112	112	-	19
Term deposits with credit institutions	176,833	176,833	-	-
Cash and cash equivalents	267,032	116,895	150,137	66,504
Total current assets	**577,667**	**307,504**	**270,163**	**116,121**
Non-current liabilities				
Borrowings	(18,811)	(18,811)	-	-
Lease liabilities	(8,050)	-	(8,050)	(2,469)
Non-participating investment contract liabilities	(3,460,226)	(3,460,226)	-	-
Deferred tax liabilities	(49,339)	-	(49,339)	(15,736)
Provisions for other liabilities	(1,157)	-	(1,157)	(93)
Total non-current liabilities	**(3,537,583)**	**(3,479,037)**	**(58,546)**	**(18,298)**
Current liabilities				
Trade and other payables	(95,838)	(22,236)	(73,602)	(33,556)
Amount due to related parties	(8,105)	-	(8,105)	(10,213)
Borrowings	(13,330)	(13,330)	-	-
Lease liabilities	(2,434)	-	(2,434)	(1,097)
Income tax liabilities	(4,567)	-	(4,567)	(1,277)
Provisions for other liabilities	(17,578)	-	(17,578)	(2,664)
Total current liabilities	**(141,852)**	**(35,566)**	**(106,286)**	**(48,807)**
Net current assets	**435,815**	**271,938**	**163,877**	**67,314**
Total assets less current liabilities	4,084,616	3,479,037	605,579	238,280
Net assets	**547,033**	**-**	**547,033**	**219,982**
Capital and reserves				
Share capital	156,290	-	156,290	156,290
Share premium	300,000	-	300,000	-
Other reserves	18,507	-	18,507	16,582
Retained earnings	72,236	-	72,236	47,110
Shareholders' funds	**547,033**	**-**	**547,033**	**219,982**

6. Financial review (continued)

IFRS Consolidated Statement of Cash Flow as at 31 December 2023 split between insurance policy holders and the Group's shareholders

	2023 £'000 Group Total	2023 £'000 Policyholder	2023 £'000 Shareholder	2022 £'000 Shareholder
Cash flows from operating activities				
Cash generated / (used) from operations	(11,597)	(72,270)	60,673	30,867
Income tax credited / (paid)	(537)	(21)	(516)	(1,450)
Interest received	2,633	-	2,633	337
Addition of financial investments	(145,335)	(145,335)	-	-
Disposal of financial investments	160,036	160,036	-	-
Addition of investment properties	(20,562)	(20,562)	-	-
Disposal of investment properties	20,021	20,021	-	-
Repayment of borrowings related to policyholders	(1,896)	(1,896)	-	-
Increase in liability for investment contracts	57,698	57,698	-	-
Net cash generated / (used) from operating activities	**60,461**	**(2,329)**	**62,790**	**29,754**
Cash flows from investing activities				
Purchase of property, plant and equipment	(1,872)	-	(1,872)	(1,045)
Acquisition of intangible assets	(1,563)	-	(1,563)	(125)
Acquisition of a subsidiary undertaking	(230,814)	-	(230,814)	-
Net cash generated / (used) from investing activities	**(234,249)**	-	**(234,249)**	**(1,170)**
Cash flows from financial activities				
Principal repayment of lease liabilities	(2,182)	-	(2,182)	(2,057)
Interest paid on lease liabilities	(23)	-	(23)	-
Movement in loans due from related parties	(21,201)	-	(21,201)	(5,790)
Movement in loans due to related parties	(2,108)	-	(2,108)	1,560
Proceeds from the issue of share capital	300,000	-	300,000	-
Dividends paid	(19,400)	-	(19,400)	(11,000)
Net cash generated / (used) from financing activities	**255,086**	-	**255,086**	**(17,287)**
Increase / (decrease) in cash and cash equivalents	**81,298**	**(2,329)**	**83,627**	**11,297**
Cash and cash equivalents at the beginning of the financial year	66,504	-	66,504	55,207
Cash affiliated with policyholders 1st October 2023	119,224	119,224	-	-
Effects of exchange rate changes	6	-	6	-
Cash and cash equivalents at end of financial year	**267,032**	**116,895**	**150,137**	**66,504**

7. Revenue

	2023 £'000	2022 £'000
Annual fees	23,336	22,561
Transaction fees	2,371	2,272
Asset based fees	129,920	89,633
Other income	1,552	-
Total revenue	**157,179**	**114,466**

During the year there was no revenue derived from a single client that represented 10% or more of total revenues.

Revenue is measured based on the consideration specified in a contract with a customer.

All revenue is derived in the UK from continuing operations.

8. Operating profit / (loss)

Group

The following items have been charged in operating profit/ (loss):

	Notes	2023 £'000	2022 £'000
Staffing expenses	10	59,867	40,054
Depreciation of tangible fixed assets		1,249	1,131
Amortisation of intangible assets		7,334	11,326
Depreciation of right of use assets		1,700	1,697

During the year, the Group obtained the following services from the Group's auditors Deloitte LLP.

	2023 £'000	2022 £'000
Statutory audit of the financial statements	**199**	**83**
Statutory audit of subsidiary entities	1,611	397
Client assets assurance report	293	276
Other non-audit services	109	-
Total auditor's remuneration	**2,212**	**756**

Parent company

	2023 £'000	2022 £'000
Statutory audit of the financial statements	**199**	**83**
Other non-audit services	**-**	**-**
Total auditor's remuneration	**199**	**83**

9. Directors' remuneration

Group

	2023 £'000	2022 £'000
Wages and salaries	1,599	1,896
Redundancy and related costs	-	72
Pension costs - defined contribution plans	-	16
Total Directors' remuneration	**1,599**	**1,984**

The emoluments of the highest paid Director amounted to £762k (2022 - £514k). The highest paid Director exercised nil share options (2022 – nil) during the year and received nil (2022 – £4m) G Shares in Plutus Topco Limited in respect of the Group's Long Term Incentive Scheme.

Defined contribution retirement benefits accrued to 1 Director (2022 – 1).

10. Staffing expense

Group

	2023 £'000	2022 £'000
Wages and salaries	48,940	31,968
Social security costs	4,846	3,497
Redundancy and related costs	-	-
Pension costs - defined contribution plans	4,007	1,972
Share based compensation	1,926	-
Other staff expenses	148	2,617
Total staffing expenses	**59,867**	**40,054**

Other staff expenses include recruitment and training costs.

The average number of persons employed by the Group during the year was 1,449 (2022: 616).

11. Administrative expenses

Group

	Notes	2023 £'000	2022 £'000
Staffing expense	10	59,867	40,054
Depreciation	18	1,249	1,131
Amortisation of intangible assets	16	7,334	11,153
Impairment of intangible assets	16	-	173
Depreciation of right-of-use assets	19	1,700	1,697
Other expenses		26,496	26,796
Total administrative expenses		**96,646**	**81,004**

Other expenses include items such as IT related expense, professional services, audit and non-audit services and insurance amongst others.

11. Administrative expenses (continued)

Parent company

	2023 £'000	2022 £'000
Staffing expense	1,924	-
Other expenses	323	53
Total administrative expenses	**2,247**	**53**

12. Finance income

Group

	2023 £'000	2022 £'000
Interest income on short-term bank deposits	2,633	506
Total finance income	**2,633**	**506**

13. Finance costs

Group

	2023 £'000	2022 £'000
Lease interest	263	169
Total finance costs	**263**	**169**

14. Exceptional items

Group

	2023 £'000	2022 £'000
Disposal of the SSAS book	1	89
Acquisition of Nucleus Financial Group	18	349
Transformation programme costs	6,020	5,298
Service improvement	709	749
Restructuring costs	3,181	768
Legal, remediation and other items	5,093	212
Other merger and acquisition activity	804	1,040
Total exceptional loss	**15,826**	**8,505**

14. Exceptional items (continued)

Parent company

	2023 £'000	2022 £'000
Transformation programme costs	(665)	4,618
Service improvement	(402)	749
Restructuring costs	1,359	419
Legal, remediation and other items	1,296	8
Other merger and acquisition activity	119	693
2021 transformation programme costs recharged to subsidiaries	-	(7,278)
2021 service improvement costs recharged to subsidiaries	-	(3,712)
Total exceptional loss/ (gain)	**1,707**	**(4,503)**

Legal, remediation and sanction costs relate to the resolution of issues found during the Group's review of legacy products.

Transformation and Service recovery costs relate to group wide projects, the costs are incurred by NFP and are apportioned to the trading entities in the Group. The Transformation Programme incorporates the workstreams set up to design the new Nucleus platform and achieve the outsourcing of the IT and Operations functions to FNZ. Service improvement relates to work to stabilise service and better meet expectations of advisers. This category of exceptional costs therefore represents all of the one-off costs incurred to get the business in a position to transfer the relevant functions to FNZ and to reform the service. In 2022 NFP recharged prior year transformation program and service improvement costs to the trading entities in the Group, therefore creating an exceptional gain in the Company.

Restructuring costs, include termination and recruitment costs relating to the review of the size and shape of the Group's employee base following recent mergers and acquisition activity.

Other mergers and acquisition costs include some residual costs relating to the acquisition of NFG in 2021 and costs relating to the sale of the company to HPS in 2022.

15. Taxation

Tax on the profit on ordinary activities for the financial year

Group

	2023 £'000	2022 £'000
Current tax		
UK corporation tax charge on the results for the financial year	6,406	2,991
Adjustments in respect to prior periods / rate changes	(3,414)	(199)
Total current tax charge	**2,992**	**2,792**
Deferred tax		
UK corporation tax credit on the results for the financial year	(595)	(80)
Adjustments in respect to prior periods / rate changes	48	432
Total deferred tax (credit)/ charge	**(547)**	**352**
Total tax charge	**2,445**	**3,144**

15. Taxation (continued)

Factors affecting the tax charge for the financial year:

	2023 £'000	2022 £'000
Profit before tax	46,971	25,380
Tax expense at the UK Corporation tax rate of 23.52% (2022: 19.00%)	11,048	4,823
Effects of:		
Expenses not deductible for tax purposes	5,523	338
Tax effect of changes in tax rates	(436)	-
Adjustments in respect of prior periods	(3,366)	195
Group relief and other tax adjustments	(10,324)	(2,212)
Total tax charge	**2,445**	**3,144**

From April 2023 onwards the main rate of corporation tax increased from 19% to 25%.

Deferred tax has been calculated at 25% on capital allowances (2022: 25%) and at 25% for short-term timing differences and losses (2022: 25%).

The Organisation for Economic Co-operation and Development ("OECD") Pillar II rules, also known as the Global Anti-Base Erosion (GloBE) rules, have been adopted in the United Kingdom ("UK") for accounting periods beginning on or after 31 December 2023. Based on the Company's UK only operations and the effective tax rate, it is below the threshold and is not applicable.

Parent company

	2023 £'000	2022 £'000
Current tax	-	-
Adjustments in respect to prior periods / rate changes	373	(125)
Total current tax charge/ (credit)	**373**	**(125)**
Deferred tax		
UK corporation tax credit on the results for the financial year	-	656
Adjustments in respect to prior periods / rate changes	-	207
Total deferred tax charge / (credit)	**-**	**863**
Total tax charge	**373**	**738**

15. Taxation (continued)

Factors affecting the tax charge for the financial year:

	2023 £'000	2022 £'000
Profit before tax	6,335	4,450
Tax expense at the UK Corporation tax rate of 23.52% (2022: 19.00%)	1,490	846
Effects of:		
Expenses not deductible for tax purposes	335	124
Adjustments in respect of prior periods	373	82
Other tax adjustments, reliefs and transfers	(1,825)	(314)
Total tax charge	**373**	**738**

Deferred tax
Deferred tax has been calculated at 25% for losses (2022: 25%).

Deferred income taxes are calculated on temporary differences under the liability method using the tax rates that are expected to apply when the liability is settled, or the asset is realised. The following are deferred tax assets / (liabilities) recognised by the Group and the movements thereon during the current and prior reporting period.

Group

Deferred tax liability

	Accelerated capital allowances £'000	Short term timing differences £'000	Losses and other deductions £'000	Acquired intangibles £'000	Total £'000
At 1 January 2022	102	272	1,171	(16,455)	(14,910)
Prior year adjustment	(264)	(133)	(57)	-	(454)
(Charge) / credit to the Statement of Comprehensive Income	117	33	(1,071)	1,029	108
As 31 December 2022	**(45)**	**172**	**43**	**(15,426)**	**(15,256)**
Prior year adjustment	(1)	(16)	-	-	(17)
Recognised on acquisition	90	134	980	(36,398)	(35,194)
(Charge) / credit to the Statement of Comprehensive Income	(835)	(215)	432	1,746	1,128
As 31 December 2023	**(791)**	**75**	**1,455**	**(50,078)**	**(49,339)**

16. Intangible assets

Group

	Notes	Goodwill £'000	Customer relationships £'000	Trade name £'000	Computer software £'000	Total £'000
Cost						
At 1 January 2022		**102,484**	**83,529**	**7,733**	**25,015**	**218,761**
Additions		-	-	-	125	125
At 31 December 2022		**102,484**	**83,529**	**7,733**	**25,140**	**218,886**
Acquired through business combination	39	122,928	137,930	4,010	3,650	268,518
Additions		-	-	-	1,563	1,563
At 31 December 2023		**225,412**	**221,459**	**11,743**	**30,353**	**488,967**
Accumulated amortisation						
At 1 January 2022		**-**	**(23,492)**	**(323)**	**(19,121)**	**(42,936)**
Amortisation charge for the year		-	(4,642)	(774)	(5,737)	(11,153)
Impairment charge for the year		-	-	-	(173)	(173)
At 31 December 2022		**-**	**(28,134)**	**(1,097)**	**(25,031)**	**(54,262)**
Amortisation charge for the year		-	(6,297)	(880)	(157)	(7,334)
At 31 December 2023		**-**	**(34,431)**	**(1,977)**	**(25,188)**	**(61,596)**
Net book value						
At 31 December 2023		**225,412**	**187,028**	**9,766**	**5,165**	**427,371**
At 31 December 2022		**102,484**	**55,395**	**6,636**	**109**	**164,624**

Goodwill arose pre 2010 of £14,007k relating to the acquisition of IPS Pensions Ltd and The PAL Partnership plc by Nucleus Financial Platforms Ltd. During 2010 further goodwill of £12,764k arose from the acquisition of James Hay Holdings Limited by Nucleus Financial Platforms Ltd. Goodwill of £75,713k arose during 2021 from the acquisition of Nucleus Group by James Hay Group. During the current year, goodwill of £122,928k arose from the acquisition of the Curtis Banks Group.

17. Investment property

Group

	2023 £'000
Fair value	
At 30 September 2023	**1,094,617**
Additions	20,561
Disposals	(20,021)
Fair value (losses) / gains	(19,857)
At 31 December 2023	**1,075,300**

All investment properties have been valued at the year end by reference to most recent professional valuations and this is further adjusted by applying the corresponding property index available. There has been no change in the valuation technique in the year. Investment properties held to cover the linked policyholder business are included in non-participating investment contract liabilities.

18. Property, plant and equipment

Group

	Buildings & leasehold improvements £'000	Computer equipment £'000	Office equipment £'000	Total £'000
Cost				
At 1 January 2022	**3,028**	**5,534**	**4,110**	**12,672**
Additions	24	594	427	1,045
Disposals	-	-	-	-
At 1 January 2023	**3,052**	**6,127**	**4,538**	**13,717**
Acquired through business combination	1,752	7,058	717	9,527
Additions	120	1,656	96	1,872
Disposals	-	(71)	-	(71)
At 31 December 2023	**4,924**	**14,770**	**5,351**	**25,045**
Accumulated depreciation				
At 1 January 2022	**(1,954)**	**(5,236)**	**(2,947)**	**(10,137)**
Charge for the year	(330)	(154)	(647)	(1,131)
Disposals	-	-	-	-
At 31 December 2022	**(2,284)**	**(5,390)**	**(3,594)**	**(11,268)**
Acquired through business combination	(1,645)	(5,924)	(625)	(8,194)
Charge for the year	(247)	(407)	(595)	(1,249)
Disposals	-	29	-	29
At 31 December 2023	**(4,176)**	**(11,692)**	**(4,814)**	**(20,682)**
Net book value				
At 31 December 2023	**748**	**3,078**	**537**	**4,363**
At 31 December 2022	**768**	**737**	**944**	**2,449**

19. Right-of-use assets

Group

	Building £'000	Equipment £'000	Total £'000
Cost			
At 1 January 2022	**6,980**	**131**	**7,111**
Additions	842	-	842
At 1 January 2023	**7,822**	**131**	**7,953**
Acquired through business combination	8,683	-	8,683
Additions	2,189	-	2,189
Disposals	(542)	-	(542)
At 31 December 2023	**18,152**	**131**	**18,283**
Accumulated depreciation			
At 1 January 2022	**(2,747)**	**(98)**	**(2,845)**
Charge for the year	(1,697)	-	(1,697)
At 1 January 2023	**(4,444)**	**(98)**	**(4,542)**
Amortisation charge on acquired assets	(2,494)	-	(2,494)
Charge for the year	(1,700)	-	(1,700)
Eliminated by disposals	421	-	421
At 31 December 2023	**(8,217)**	**(98)**	**(8,315)**
Net book value			
At 31 December 2023	**9,935**	**33**	**9,968**
At 31 December 2022	**3,378**	**33**	**3,411**

The Group has entered into various leases in respect of property and office equipment as a lessee. Lease terms are negotiated on an individual basis and contain a range of different terms and conditions. Average lease term is generally between 2 to 10 years with interest rate of between 3% to 9.3%.

The Group has also entered into leases for low value assets such as printers and coffee machines that are not accounted for through the Statement of Financial Position but instead expensed through the Statement of Comprehensive Income as they fall due.

20. Subsidiaries

Parent

	2023 £'000
Opening cost at 1 January 2023	**253,164**
Investment in Nucleus Clyde Acquisition Ltd	237,988
Closing cost at 31 December 2023	**491,152**

20. Subsidiaries (continued)

The following is a list of the principal subsidiary undertakings of the Company:

Subsidiary	Principal activity	% of ordinary shares and voting rights held
Incorporated in the UK		
The IPS Partnership plc	Pensions administration and pension scheme administrators	100 (direct)
IPS Pensions Limited	Pension administration services	100 (direct)
James Hay Holdings Limited	Holding company	100 (direct)
IFG UK Group Holdings Limited	Holding company	100 (direct)
Nucleus Clyde Acquisition Limited	Holding company	100 (direct)
James Hay Wrap Managers Limited	Portfolio administration services for personal investments and small self-invested pension schemes	100 (indirect)
James Hay Administration Company Limited	Administration of self-invested personal pension schemes	100 (indirect)
Nucleus Financial Limited	Holding company	100 (indirect)
Nucleus Financial Services Limited	Provision of wrap administration services	100 (indirect)
Nucleus Group Services Limited (previously James Hay Partnership Management Limited)	Management company and service provider	100 (indirect)
Curtis Banks Limited	Provision of pension administration services	100 (indirect)
Talbot and Muir Limited	Provision of pension administration services	100 (indirect)
The Pension Partnership Limited*	Non-trading	100 (indirect)
Curtis Banks Group Limited	Provision of self-invested pension products	100 (indirect)
Registered office: Dunn's House, St Paul's Road, Salisbury, England, SP2 7BF		
Rivergate Legal Limited*	Provision of legal services	100 (indirect)
Registered office: Fourth Floor, 1 Castle Park, Tower Hill, Bristol, England, BS2 0JA		
Suffolk Life Group Limited*	Holding company	100 (indirect)
Suffolk Life Annuities Limited	Provision of pension administration services	100 (indirect)
Suffolk Life Pensions Limited	Provision of pension administration services	100 (indirect)
Suffolk Life Trustees*	Non-trading	100 (indirect)
Registered office: 153 Princes Street, Ipswich, Suffolk, England, IP1 1QJ		

20. Subsidiaries (continued)

Subsidiary	Principal activity	% of ordinary shares and voting rights held
Dunstan Thomas Group Limited*	Holding company	100 (indirect)
Digital Keystone Limited*	Non-trading	100 (indirect)
Dunstan Thomas Holdings Limited*	Provision of IT product development and services	100 (indirect)
Dunstan Thomas Consulting Limited*	Non-trading	100 (indirect)
Platform Action Limited*	Non-trading	100 (indirect)
Registered office: Building 300, Lakeside North Harbour, Portsmouth, England, PO6 3EN		
Incorporated in Jersey		
James Hay Services Limited	Holding company	100 (indirect)
Registered office: Aztec Group House, 11-15 Seaton Place, St Helier, Jersey, JE4 0QH		

* exempt from audit under the requirements of s.479A of the Companies Act 2006.

21. Investments

Financial assets at fair value through profit and loss at 31 December 2023

Group

	2023 £'000
Fair value	
Equity and other variable yield securities	2,048,003
Debt securities and other fixed income securities	78,445
Total shares and securities	**2,126,448**
At cost	**1,842,097**

Movement in the year on total shares and securities

	Notes	2023 £'000
At 30 September 2023	39	**2,049,522**
Additions		145,335
Disposals		(160,036)
Unrealised (losses) / gains		91,627
At end of the year		**2,126,448**

22. Trade and other receivables

Group

	2023 £'000	2022 £'000
Trade receivables	50,899	3,807
Less impairment allowance	(11,624)	(405)
Net trade receivables	**39,275**	**3,402**
Other receivables	10,125	11,044
Less impairment allowance	(84)	(201)
Net other receivables	**10,041**	**10,843**
Prepayments	**6,566**	**3,872**
Accrued income	**47,028**	**21,902**
Total trade and other receivables	**102,910**	**40,019**

The carrying value, less impairment allowance of trade and other receivables, approximates fair value.

As of 31 December 2023, the ageing of trade and other receivables and the lifetime ECL, excluding prepayments of £6,566k and policyholder gross amount of £20,549k and policyholder ECL of £6,885k is set out below:

At 31 December 2023	Trade and other receivables				
£'000	Good quality	Satisfactory quality	Low quality	Credit impaired	Total
ECL %	4%	3%	24%	19%	6%
Gross carrying amount	74,057	5,490	3,626	4,330	87,503
Lifetime ECL	(2,992)	(167)	(858)	(806)	(4,823)
Total					**82,680**

At 31 December 2022	Trade and other receivables				
£'000	Good quality	Satisfactory quality	Low quality	Credit impaired	Total
ECL %	0%	6%	12%	19%	2%
Gross carrying amount	33,072	710	740	2,231	36,753
Lifetime ECL	(52)	(44)	(92)	(418)	(606)
Total					**36,147**

23. Cash and cash equivalents

Group

	2023 £'000	2022 £'000
Cash at bank and in hand	150,137	66,504
Deposits with credit institutions	112,296	-
Cash equivalents	4,599	-
Total	**267,032**	**66,504**

23. Cash and cash equivalents (continued)

Parent company

	2023 £'000	2022 £'000
Cash at bank and in hand	42,384	919
Total	**42,384**	**919**

Cash and cash equivalents (which are presented as a single class of assets on the face of the balance sheet) comprise cash at bank and other short-term highly liquid investments with a maturity of three months or less.

24. Borrowings

	2023 £'000
Current	
Bank loans	13,330
Non-current	
Bank loans	18,811
Total borrowings	**32,141**

Bank borrowings

The bank borrowings are repayable as follows:

Within 1 year	13,330
Between 1 year	12,325
After more than 5 years	6,486
	32,141

Bank loans are secured by legal charge over certain properties held within non-participating investments contracts.

25. Lease liabilities

Group

	2023 £'000	2022 £'000
Current:	2,434	1,097
Non-current:	8,050	2,469
Lease liabilities	**10,484**	**3,566**

25. Lease liabilities (continued)

	2023 £'000	2022 £'000
Maturity analysis		
1 year or less	2,434	1,097
1-2 years	2,165	1,405
3-5 years	3,835	1,064
5 years	2,050	-
At 31 December 2023	**10,484**	**3,566**

Principal cash outflow for leases accounted for under IFRS 16 for the year was £2,770k (2022: £1,392k).

26. Trade and other payables

Group

	2023 £'000	2022 £'000
Trade and other payables	25,434	10,439
Accruals	24,167	11,408
Deferred income	41,199	10,224
PAYE and social welfare	2,470	1,099
Value added tax	2,568	386
Total	**95,838**	**33,556**

Parent company

	2023 £'000	2022 £'000
Accruals	202	44
Other creditors	52	-
Total	**254**	**44**

The carrying value of creditors approximates fair value.

The amounts due to related companies are unsecured, non-interest bearing and repayable on demand.

27. Provisions for other liabilities

Group

	Complaints & pricing £'000	Legal remediation & sanction £'000	Business combination £'000	Share incentive plan £'000	Dilapidations £'000	Total £'000
At 1 January 2022	**904**	**556**	**194**	**-**	**134**	**1,788**
Provision movement in the year	915	532	-	455	708	2,610
Utilised during the year	(1,020)	(427)	(194)	-	-	(1,641)
At 31 December 2022	**799**	**661**	**-**	**455**	**842**	**2,757**
Acquisition of subsidiary	-	464	-	-	-	464
Provision movement in the year	1,677	14,824	-	-	220	16,721
Utilised during the year	(887)	(129)	-	(191)	-	(1,207)
At 31 December 2023	**1,589**	**15,820**	**-**	**264**	**1,062**	**18,735**

	2023 £'000	2022 £'000
Analysis of provisions		
Current	17,578	2,664
Non-current	1,157	93
At 31 December	**18,735**	**2,757**

Provisions relate to management's best estimate of potential future costs the Group and Company may incur in relation to the resolution of issues, including customer complaints and errors and sanctions.

Complaints and pricing relate to circumstances where the Group remediates clients affected by errors on the platform and calculates any amounts due in line with guidance given by the Financial Ombudsman Service in respect of the type of client loss, distress and inconvenience for which clients should be compensated. Where actual trading losses are suffered by clients, these are calculated in accordance with MiFID II best execution rules to ensure clients are restored to the position they would have been in had the error or omission not been made. The majority of the outstanding issues are expected to be agreed in 2024.

Legal remediation and Sanction costs relate to the resolution of issues found during the Company's review of legacy products and include amounts in relation to Non-Standard Investments. Further detail on how these amounts have been calculated can be found in Note 5.

Provisions for share incentive plans relate to LTIPs awarded to the Company's employees where the Company is liable to pay employers' NIC when the LTIP awards are due to be paid.

The dilapidations provision relates to the Company's office premises at Greenside, Edinburgh. This is calculated using the Building Cost Information Service survey (part of the Royal Institution of Chartered Surveyors) of average settlement figures for offices, adjusted for inflation, and the square footage of the Company's leasehold premises. The provision has been classified as non-current due to the likelihood of its utilisation at the end of the lease in 2027.

28. Fair value hierarchy

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurements are based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflects the Group's view of market assumptions in the absence of observable market information. The Group utilises techniques that maximise the use of observable inputs and minimise the use of unobservable inputs.

The levels of fair value measurement bases are defined as follows:

Level 1: fair values measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: fair values measured using valuation techniques for all inputs significant to the measurement other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: fair values measured using valuation techniques for any input for the asset or liability significant to the measurement that is not based on observable market data (unobservable inputs).

The following table present the Group's financial investments and investment property by IFRS13 hierarchy levels:

As at 31 December 2023	Total £'000	Level 1 £'000	Level 2 £'000	Level 3 £'000
Non-participating investment contracts				
Equity securities	2,048,003	2,014,023	25,303	8,677
Debt securities and other fixed income securities	78,445	65,185	12,695	565
Cash equivalents	4,600	3,969	631	-
Investment property	1,075,300	-	-	1,075,300
Total financial investments and investment property	**3,206,348**	**2,083,177**	**38,629**	**1,084,542**

Level 3 assets comprise both property and unquoted equities, the latter including investments in private equity, investment properties and suspended securities. Level 3 assets represent a very small proportion of assets to which shareholders are exposed, with the majority being held within non-participating investment contracts.

In many situations, inputs used to measure the fair value of an asset or liability may fall into different levels of the fair value hierarchy. In these situations, the Group determines the level in which the fair value falls based upon the lowest level input that is significant to the determination of the fair value. As a result, both observable and unobservable inputs may be used in the determination of fair values that the Group has classified within level 3.

The Group determines the fair values of certain financial assets and liabilities based on quoted market prices, where available. As appropriate, fair values reflect adjustments for counterparty credit quality, the Group's credit standing, liquidity and risk margins on unobservable inputs.

28. Fair value hierarchy (continued)

Where quoted market prices are not available, fair value estimates are made at a point in time, based on relevant market data, as well as the best information about the individual financial instrument. Illiquid market conditions have resulted in inactive markets for certain of the Group's financial instruments. As a result, there is generally no or limited observable market data for these assets and liabilities. Fair value estimates for financial instruments deemed to be in an illiquid market are based on judgments regarding current economic conditions, liquidity discounts, currency, credit and interest rate risks, loss experience and other factors. These fair values are estimates and involve considerable uncertainty and variability as a result of the inputs selected and may differ significantly from the values that would have been used had a ready market existed, and the differences could be material. As a result, such calculated fair value estimates may not be realisable in an immediate sale or settlement of the instrument. In addition, changes in the underlying assumptions used in the fair value measurement technique could significantly affect these fair value estimates.

		Level 3	
	Equity securities 2023 £'000	Debt securities 2023 £'000	Investment property 2023 £'000
At January 2023	-	-	-
Curtis Banks Group acquisition	11,203	1,281	1,094,617
Total profit/ (losses) for the year recognised:			
In Statement of comprehensive income	(2,647)	(716)	(19,857)
Purchases/ additions	-	-	20,561
Disposals	-	-	(20,021)
Transfers into level 3	121	-	-
Transfers out of level 3	-	-	-
At December 2023	**8,677**	**565**	**1,075,300**

Transfers out of level 3 relate to assets held for which observable inputs subsequently became available. Transfers into level 3 relate to assets formerly categorised as level 1 or level 2 assets. This is principally due to assets becoming illiquid or suspended from trading meaning that observable inputs are no longer available.

Effect on changes in significant unobservable inputs (level 3) to reasonably possible alternative assumptions

Fair values of financial instruments are, in certain circumstances, measured using valuation techniques that incorporate assumptions that are not evidenced by prices from observable current market transactions in the same instrument and are not based on observable market data. The following table shows the level 3 financial instruments carried at fair value as at the balance sheet date, the valuation basis, main assumptions used in the valuation of these instruments and reasonably possible increases or decreases in fair value based on reasonably possible alternative assumptions.

28. Fair value hierarchy (continued)

Assets	Main assumptions	Current fair value 2023 £'000	Reasonable possible alternative assumptions: Increase in fair value 2023 £'000	Reasonable possible alternative assumptions: Decrease in fair value 2023 £'000
Suspended securities[1]		4,601	230	(230)
Unquoted investments[1]		4,642	232	(232)
Investment property[2]		1,075,300	53,765	(53,765)
Total		**1,084,543**	**54,227**	**(54,227)**

1. Values are based on estimate of market price. Sources used in deriving these estimates include the last traded price between a buyer and a seller, brokers providing a matched bargain facility or a company's audited financial statements, if available.
2. Valued using professional specialist property third party indexation data and indexation from the last valuation

A factor of 5% has been used as the reasonably possible alternative assumption. Any changes in the value of assets held within non-participating investment contracts are offset by an equal and opposite change in investment contract liabilities.

29. Non-participating investment contract liabilities

All amounts within this note relate to the Group only. There are no non-participating investment contract liabilities within the Company.

Analysis of investment contract liabilities

Investment contract liability provisions for linked liabilities are detailed below. There are no reinsurance amounts (2022: £nil). For each linked SIPP the Group provides, there is a separate internal fund. Where the Group provides a Trustee Investment Plan or Group Management Fund, there are a number of separate internal funds.

	2023 £'000
As at 26 September 2023	3,402,528
Reserves in respect of new business	30,353
Amounts paid on surrender and maturities during the year	(72,961)
Investment (loss) / income	110,126
Expenses	(9,820)
As at 31 December 2023	**3,460,226**

These relate to:

	2023 £'000
Self-invested Personal Pensions	2,457,232
Group Managed Funds - Trustee Investment Plans	31,215
Group Managed Funds	29,442
Trustee Investment Plans	942,337
As at 31 December 2023	**3,460,226**

Assets held to cover non-participating investment contracts are detailed under separate notes to the financial statements.

29. Non-participating investment contract liabilities (continued)

Investment contract liabilities – investment income

	2023 £'000
Rent receivable	22,997
Interest receivable	2,499
Investment and other income	8,621
Realised (losses) / gain on investment	1,519
Unrealised (losses) / gains on investments	74,490
	110,126

Investment contract liabilities – expenses

	2023 £'000
Investment management fees	3,019
Adviser fees	97
Management charges	1,789
Bank fees and charges	19
Professional fees and sundries	2,777
Bad debts	1,463
Interest payable on bank loans and overdrafts	656
	9,820

Reserves in respect of new business

	2023 £'000
Gross premiums	
Periodic premiums relating to Self-Invested Personal Pensions	462
Single premiums relating to Self-Invested Personal Pensions	12,406
Single premiums relating to Group Managed Funds - TIPs	895
Single premiums relating to Group Managed Funds	-
Single premiums relating to Trustee Investment Plans	16,590
	30,353

Amounts paid on surrenders and maturities during the year

	2023 £'000
Gross claims paid	
Lump sums on death	2,270
Lump sums on pensions vesting	2,137
Income withdrawals	7,362
Annuities purchased	927
Transfers out	60,265
Surrenders of managed funds - Trustee Investment Plans	-
	72,961

30. Share capital

Group & Parent

	2023 £'000	2022 £'000
Allotted, called up and fully paid:		
Ordinary shares of £1 each	156,290	156,290
At 31 December	**156,290**	**156,290**

	No of shares	Par value £'000	Share capital £'000	Share premium £'000
At 1 January 2022	**156,289,609**	**156,290**	**156,290**	**-**
Issued and subscribed	-	-	-	-
At 31 December 2022	**156,289,609**	**156,290**	**156,290**	**-**
Issued and subscribed	2	-	-	300,000
At 31 December 2023	**156,289,611**	**156,290**	**156,290**	**300,000**

31. Other reserves

Group

	Capital redemption reserve £'000	Other reserves £'000	Total £'000
At 1 January 2022	**15,000**	**1,582**	**16,582**
Movement in year	-	-	-
At 31 December 2022	**15,000**	**1,582**	**16,582**
Movement in year	-	1,925	1,925
At 31 December 2023	**15,000**	**3,507**	**18,507**

Parent company

	Capital redemption reserve £'000	Other reserves £'000	Total £'000
At 1 January 2022	**15,000**	**4,537**	**19,537**
Movement in year	-	-	-
At 31 December 2022	**15,000**	**4,537**	**19,537**
Movement in year	-	1,925	1,925
At 31 December 2023	**15,000**	**6,462**	**21,462**

32. Share based payments

The Group operates two share-based compensation plans to remunerate the Executive Directors and senior leaders. The plans are settled in equity instruments of the Group or cash.

The Senior management scheme is for Directors and other key senior personnel and the Senior leadership scheme is for business unit and team leaders. Both were introduced during 2023.

Such awards are accounted for under IFRS 2 Share-based payment. The fair value of the services received in exchange for the grant of the awards is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the awards granted:-

- including any market performance conditions (for example, an entity's share price); and
- excluding the impact of any service and non-market performance vesting conditions (for example, internal rate of return on invested share capital and remaining a Director for a specified period of time)

The Senior leadership and Senior management schemes do not have any market performance conditions and both have non-market performance vesting conditions and service vesting conditions.

The Senior management scheme are awards of shares that vest subject to certain stretching performance conditions relating to the Internal Rate of Return on the value of invested share capital at the level of the parent.

The period over which the awards are expensed has been subject to judgements over the likelihood of when a vesting event is assumed to occur. The vesting period for both schemes is three years.

The fair value for both schemes is determined through a binominal model which values the shares as if they were zero-cost options as at the date of grant. As at 31 December 2023, in respect of the Group's G shares, the key inputs that were used for valuation using the option model were the equity value of £467k (2022: £467k), a risk-free rate of 3.6% (2022: 3.6%), volatility of 35% (2022: 35%). and the time to exit of 6.3 years (2022: 6.3 years). The total amount expensed to the Group in 2023 was £1,926k.

The Senior leadership awards are cash-settled awards; the fair value of the awards is remeasured at each balance sheet date with any difference taken to the profit and loss statement and result in the recognition of a liability.

The Senior management awards are equity-settled awards; the fair value of the awards is calculated at grant date and expensed to the income statement on a linear basis over the vesting period, with a corresponding increase to the share-based payment reserve in equity,

Where a share award is cancelled, the share-based payment charge is accelerated at that point in time and all remaining unvested charge is immediately expensed to the Group. Malus and clawback provisions apply.

33. Retained earnings

Group

	2023 £'000	2022 £'000
At 1 January	**47,110**	**35,874**
Profit for the year	44,526	22,236
Dividends paid	(19,400)	(11,000)
At 31 December	72,236	47,110

Parent company

	2023 £'000	2022 £'000
At 1 January	**73,996**	**81,284**
Profit for the year	5,962	3,712
Dividends paid	(19,400)	(11,000)
At 31 December	**60,558**	**73,996**

34. Related party transactions

Transactions with Directors, key management personnel and their connected persons
Key management personnel are defined as the Directors of the Group, the Board and Executive Committee of the Company.

Group

	2023 £'000	2022 £'000
Wages and salaries	2,895	2,955
Redundancy and related costs	3	323
Pension costs - defined contribution plans	46	31
Total	2,944	3,309

The Group received income for the fees relating to the administration of self-invested personal pensions from a Director of the Group totalling £nil (2022: £1.4k). The fees are charged at standard rates and balances were settled during the respective years.

There were no related party transactions during the year, or existing at the balance sheet date other than those disclosed below with related parties or the parent Company's key management personnel.

All balances and transactions with NFP and subsidiary entities have been eliminated on consolidation and are therefore not shown in this note.

34. Related party transactions (continued)

Transactions with related parties

At the year end, the Group had the following balances with entities with significant influence over the Group:

	2023 £'000	2022 £'000
SaintMichelco Limited liability	(6,830)	(6,849)
IFG Group Limited receivable/ (liability)	4,938	(3,272)
Plutus Topco Limited liability	(1,275)	(92)
Plutus Bidco Limited receivable	22,735	6,783
LaRousseCo Limited receivable	152	87
LarvottoCo Limited receivable	27	8
MontecarloCo Limited receivable	34	8
Plutus Holdco Limited receivable	29	-
Plutus Midco Limited receivable	29	-

At the year end, the Group had the following balances with associates:

	2023 £'000	2022 £'000
IFG GRP UK Limited receivable	2,398	2,374
IFG Securities Limited receivable	438	319

At the year end, the Company had the following balances with subsidiaries:

	2023 £'000	2022 £'000
Nucleus Group Services Limited liability	(32,331)	(19,468)
James Hay Holdings Limited receivable	-	5,011
James Hay Wrap Managers Limited receivable	19	367
Nucleus Financial Services Limited receivable	402	2,773
The IPS Partnership PLC receivable	23	184
IPS Pensions Limited receivable	32	184
James Hay Administration Company Limited receivable	526	2
Curtis Banks Group Limited receivable	24,890	-

The amounts due from and to subsidiaries and related parties relate to transactions from recharges, loans, dividends and other related business transactions and are unsecured, non-interest bearing and repayable on demand. There are no loss allowances on the balances as the probability of default is negligible.

35. Pensions and other post-retirement benefits

The Group operates a defined contribution pension scheme. The pension charge represents the amounts payable by the Group to the scheme in respect of the year and contributions are recognised as an expense when they are due. Once the contributions have been paid, the Group has no further payment obligations. The assets of the scheme are held separately from those of the Group in an independently administered fund.

The Group recognised an amount of £4,007k (2022: £1,972k) as an expense for these contributions which is included in staff costs in the statements of comprehensive income. At 31 December 2023 contributions payable by the Group totalling £80k (2022: £192k) were due to the scheme.

36. Commitments and contingencies

Given the nature of the business the Group undertakes, it may from time to time receive complaints against it. The Group has procedures in place to assess the veracity of the claims and provisions that have been made to cover its best estimate of the exposure in respect of these matters, which requires significant judgement and subjective assumptions. As at 31 December 2023 the Group recognised a contingent liability of £3.4m (2022: nil) in relation to Non-Standard Investments. Note 5 on pages 56 to 58 provides further detail on the nature of this contingent liability.

No provisions have been recorded for other contingencies, as the Group's obligations under them are not probable and a reliable estimate cannot be established.

37. Cash generated from operations

	2023 £'000	2022 £'000
Profit on ordinary activities before tax	46,971	25,380
Depreciation and amortisation	10,283	14,154
Loss on disposal of tangible fixed assets	42	-
Loss on disposal of right-of-use assets	5	-
Revaluation gains/ (losses) on platform funding	(9)	-
Fair value losses/ (gains) on financial investments	(91,627)	-
Fair value losses/ (gains) on investment properties	19,857	-
Net interest (income) / cost	(2,370)	(337)
Staff costs share based payments	1,926	-
Increase in trade and other receivables	(22,397)	(15,095)
Increase in current liabilities and provisions	25,722	6,765
Cash inflows from operations	**(11,597)**	**30,867**

38. Significant events after the balance sheet date

On 9 February 2024 the Board of Directors of Nucleus Financial Platforms ("NFP") reached an agreement to acquire Third Financial Software Limited. On 21 May 2024 the acquisition received regulatory approval with completion reached on 30 June 2024. In order to facilitate the acquisition, Nucleus Financial Platforms Limited issued share capital of £50.8 million. The acquisition of Third Financial will take the Group's AUA to around £97bn and will result in an additional group of companies becoming part of the Group but is not expected to have a material impact on the Company.

As part of the Curtis Banks acquisition in the year, most of the back-office operations team and support functions were to be outsourced to FNZ as a strategic arrangement. This led to a transfer of staff and assets to FNZ effective from 1 February 2024.

There were no other subsequent events that required adjustment to or disclosure in the financial statements for the period from 31 December 2023 to the date upon which the financial statements were available to be issued.

39. Acquisition of subsidiaries

On 26 September 2023 following regulatory approval from the Financial Conduct Authority and Prudential Regulatory Authority, Nucleus Clyde Acquisition Limited, a wholly owned subsidiary of Nucleus Financial Platforms Limited purchased the entire share capital of Curtis Banks Group plc for a cash consideration of £238m.

39. Acquisition of subsidiaries (continued)

	2023 £'000
Fair value of consideration payable	237,988
Less: Provisional fair value of net assets acquired	(115,060)
Goodwill arising on acquisition	**122,928**

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are set out in the table below.

	Shareholder Assets £'000	Policyholder Business £'000	Total £'000
Non-current assets			
Intangible assets	145,590	-	145,590
Investment property		1,094,617	1,094,617
Property, plant and equipment	1,333	-	1,333
Right of use assets	6,189	-	6,189
Investments	-	2,049,522	2,049,522
Term deposits with credit institutions	-	5,351	5,351
Current assets			-
Trade and other receivables	26,403	14,091	40,494
Income tax asset	-	92	92
Term deposits with credit institutions	-	176,833	176,833
Bank and cash	32,058	119,224	151,282
Current liabilities			-
Borrowings	-	(15,560)	(15,560)
Trade and other payables	(28,909)	(23,165)	(52,074)
Lease liabilities	(549)	-	(549)
Amounts owed to group undertakings	(24,890)	-	(24,890)
Provisions	(393)	-	(393)
Current tax liability	(442)	-	(442)
Non-current liabilities			-
Borrowings	-	(18,477)	(18,477)
Lease liabilities	(6,122)	-	(6,122)
Provisions	(71)	-	(71)
Deferred tax liabilities	(35,137)	-	(35,137)
Non-participating investment contract liabilities		(3,402,528)	(3,402,528)
Net assets acquired	**115,060**	**-**	**115,060**

The 'Policyholder Business' acquired as disclosed above consists of Suffolk Life Annuities Limited insurance policyholder assets and liabilities. The liability of Suffolk Life Annuities Limited towards its policyholders is exactly equal to the value of policyholder assets held at all times. The net assets acquired by the Group in respect of the Policyholder Business therefore equates to £nil and will continue to be £nil for so long as the terms of the underlying investment contracts remain unchanged.

As a result of the acquisition, the Group now reflects significantly enlarged gross assets and gross liabilities as is reflected on the Consolidated Statement of Financial Position as at 31 December 2023 and shows the movement of those assets and liabilities through the Consolidated Statement of Comprehensive Income.

40. Parent undertaking and controlling party

The Company's immediate parent company is IFG Group Limited, a company incorporated and registered in the Republic of Ireland and its ultimate parent company is Plutus Topco Limited, a company incorporated and registered in Jersey. The Group is also a member and forms part of the Group Financial Statements drawn up by LaRousseCo Limited, a company incorporated and registered in Jersey. Plutus Topco Limited is the investment vehicle through which shareholders hold their investments in the Group. HPS Investment Partners, LLC, a company incorporated and registered in Delaware, US manages the seven HPS funds which hold shares in Plutus Topco Limited. HPS Strategic Investment Partners V Offshore GP, LP controls as general partner SIP V Mezzanine Master, L.P. and HN SIP V Co-Investment Fund, L.P. HPS Strategic Investment Partners V GP, L.P. controls as general partner SIP V AP Mezzanine Master, L.P. and SIP V Onshore Mezzanine Master, L.P. HPS SIP V Europe GP Lux Sarl controls as general partner HPS A SIP V Co-Investment Fund, SCSp. HPS GP, LLC controls as general partner HPS OH Co-Investment Fund, L.P and HPS Mezzanine Partners 2019 GP, L.P. controls as general partner HPS VG Co-Investment Fund, L.P.

Copies of the consolidated Financial Statements, which include the results of the Group, are available from the Company Secretary, LaRousseCo Limited. Registered office: Aztec Group House, IFC6, The Esplanade, St Helier, Jersey, JE4 0QH.

www.nucleusfinancial.com

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