



MIFIDPRU Public Disclosures

30 September 2024

Integrated Financial Arrangements Ltd

A firm authorised and regulated by the Financial Conduct Authority

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1. Overview

1.1 Regulatory framework

The UK financial services regulator, the Financial Conduct Authority (“FCA”), introduced the Investment Firm Prudential Regime (“IFPR”) on 1 January 2022, the prudential regime that sets out the regulatory framework for governing the amount and nature of capital resources that investment firms must hold. The requirements of the IFPR are set out in the Prudential Sourcebook for MiFID Investment Firms (“MIFIDPRU”) and are directly applicable to Integrated Financial Arrangements Ltd (“IFAL” or “the Company”). The IFPR provides the framework for annual regulatory disclosures and this document sets out the disclosures that IFAL is required to make publicly that relate to its business. The following are disclosed within this document:

- Risk management objectives and policies
- Governance arrangements
- Own funds
- Own funds regulatory requirements
- Remuneration policy and practices.

IFAL is a wholly owned subsidiary of IntegraFin Holdings plc (“IHP”) and under IFPR is considered to be a non-small and non-interconnected (non-SNI) MIFIDPRU investment firm as it does not satisfy the requirement of MIFIDPRU 1.2.1R.

The disclosures set out in the document are made solely in respect of IFAL. IFAL is not required to make a disclosure in relation to MIFIDPRU 8.7 (Investment Policy) as it does not fall within MIFIDPRU 7.1.4R(1).

1.2 Integrated Financial Arrangements Ltd

The principal activity of IFAL is the provision of “Transact”, an investment platform that arranges and executes transactions between clients, their financial advisers and financial product providers, including investment managers and stockbrokers. The Company provides wrapper administration and custodian services to its clients and is the holder of pooled client cash and the custodian of client assets held on the platform. Our business model is to accept new clients if they are introduced and advised by UK financial advisers who are authorised and regulated by the FCA.

Transact offers a number of different wrappers to clients. The Company is registered with HM Revenue & Customs as an Individual Savings Account (ISA) Manager and is the provider of the Transact ISA. It is also the provider of the Transact Self Invested Personal Pension and the Transact General Investment Account.

The Company is one of three entities in the IHP Group who provides wrappers to clients on Transact, the others being IntegraLife UK Limited (“ILUK”) and IntegraLife International Limited (“ILInt”), who offer long-term insurance business and are based in the UK and the Isle of Man, respectively.

The Company acts as the scheme administrator and custodian of the policies offered by ILUK and ILInt, being the Transact Personal Pension scheme, the Transact Executive Pension scheme, the Transact Section 32 Buy Out Bond, the Onshore Bond and the Offshore Bond.

IFAL generates most of its revenue through the collection of an annual platform charge and quarterly wrapper fees, which it charges to clients. The Company receives administration and management services from IntegraFin Services Limited (“ISL”), another company in the Group, and pays ISL a monthly service charge for the provision of these services. It also acts as the scheme administrator for ILUK and ILInt, and recharges the costs as appropriate.

The Company's success is measured through the value of the Funds Under Direction (FUD) held in IFAL wrappers on the platform, which is the primary driver of revenue. Inflows onto the platform and outflows off the platform are also key performance metrics, as well as the number of clients and advisers using the platform.

The strategy of the business continues to be the provision of a range of tax wrappers and access to products for clients and advisers. The Company will adapt its offering in line with changes in the UK tax environment and in compliance with the regulatory environment, without compromising its renowned and market-leading customer service levels, and whilst maintaining the Company's profitability.

IFAL is owned by IHP, the ultimate controlling party of IFAL and the IHP Group.

A full list of IHP subsidiaries can be found in Appendix 1 and the full IHP Group structure can be found on IntegraFin's website at www.integrafin.co.uk/our-group.

1.3 IntegraFin Holdings plc

IHP is a public limited company listed as a commercial company on the main market of the London Stock Exchange and is focused on the delivery of financial services infrastructure and associated services to our mutual clients and their advisers. It aims to create, maintain and improve value for our six principal groups of stakeholders – our clients and advisers, our employees, our regulators, our shareholders, our suppliers and the community. In order to do this, it needs to maintain its reputation for delivering a high quality, value for money service. This is achieved by keeping its offering relevant to current and future new clients through ongoing development which ensures it meets the needs of clients and their advisers.

The primary business of IHP and its subsidiaries, listed in Appendix 1, (together the "IHP Group") is providing a UK financial adviser investment platform service that trades as "Transact".

1.4 Frequency and location of disclosure

This IFPR Disclosures document will be published annually on Transact's website at www.transact-online.co.uk/important-information and on the IHP Group website at www.integrafin.co.uk/legal-and-regulatory-information at the same time as IFAL publishes its annual financial statements. Any material changes in the firm's risk profile will trigger an Individual Capital Adequacy and Risk Assessment ("ICARA") review, which is described in section 3.4. This IFPR Disclosures document will be updated where there are either material changes in the ICARA capital figures or to the information that is contained within any of its other public disclosures.

Additional disclosures form part of the IHP Annual Report and Financial Statements and/or the IFAL Annual Report and Financial Statements and these are signposted where applicable.

1.5 Reporting period and basis of disclosure

This report covers the financial position as at 30 September 2024 in line with IFAL's financial year end. All currency information in this report is disclosed in Pounds Sterling (GBP). A comparison between these disclosures and those as at 30 September 2023 has been provided where appropriate.

Some of the IFPR disclosures have been taken from IFAL's audited financial statements (and have been noted as such in the document). However, the IFPR disclosures, contained within this document, have not been audited.

IFAL and the IHP Group are required under regulatory guidance to disclose material matters. The relevant Boards regard information as material if its omission or misstatement could change or influence the assessment or decision of a user relying on that information for the purpose of making

an economic decision. If the Board considers certain information to be immaterial, it may be omitted from this IFPR Disclosures document.

Total figures disclosed in this document may not equal the sum of the constituent figures due to rounding.

2. Executive summary

This document contains information concerning the risk management objectives and policies, governance arrangements, own funds and own funds regulatory requirements, and remuneration policy and practices according to the FCA's MIFIDPRU rules. The information contained in this document reflects the position as at 30 September 2024.

2.1 Risk Management (MIFIDPRU 8.2)

Details of the firm's risk management objectives and policies have been set out in section 3. This contains details of:

- the potential for harm associated with the business strategy and a summary of the strategies and processes used to manage the categories of risk addressed by:
 - Own funds requirements (MIFIDPRU 4)
 - Concentration risk (MIFIDPRU 5)
 - Liquidity (MIFIDPRU 6)
- the firm's approach to risk management by reference to its risk management policies;
- the firm's risk management structure and operations, for example, the senior manager responsible for each area of risk (where applicable), and any relevant committees and their responsibilities;
- how the firm sets its risk appetite; and
- a summary of how the firm assesses the effectiveness of its risk management processes.

2.2 Governance (MIFIDPRU 8.3)

As a non-SNI MIFIDPRU investment firm IFAL is required to disclose details of its governance arrangements which consist of:

- an overview of the firm's governance and risk committee arrangements;
- the number of directorships held by each member of the management body, excluding those held across other subsidiaries within the IHP Group or positions held in non-commercial operations e.g. charities;
- the approach the firm takes to support and promote diversity across the management body; and
- whether the firm has established a risk committee in line with the requirements of MIFIDPRU 7.3.1.

Full details of these arrangements are set out in section 4 of this disclosure document.

2.3 Own funds (MIFIDPRU 8.4)

Details of the firm's own funds capital structure have been set out in section 5. This contains details of:

- the composition of the firm's regulatory own funds capital;
- a reconciliation of the same lines to the latest audited balance sheet of the firm using the prescribed template (MIFIDPRU 8 annex 1R); and
- a description of the capital tiers of the firm.

Full details are set out in section 5 of this disclosure document.

2.4 Own Funds requirement (MIFIDPRU 8.5)

Sets out information regarding the firm's compliance with the requirements contained in MIFIDPRU 4.3, own funds requirements. This includes details of:

- The K-factor requirements broken down as follows,
 - a)** the sum of the K-CMH requirement and K-ASA requirement
 - b)** the K-COH requirement.
- The outcome of the firm's assessment of the adequacy of its own funds; and
- The fixed overhead requirement (FOR).

Full details are set out in section 6 of this disclosure document.

2.5 Remuneration policy and practices (MIFIDPRU 8.6)

The firm has made disclosures in accordance with MIFIDPRU 8.6 regarding its remuneration policy and practices. This includes details regarding;

- the remuneration policy;
- the link between pay and performance; and
- total remuneration.

Full details of IFAL's remuneration arrangements are set out in section 7 of this disclosure document.

3. Risk Management

3.1 Risk Management objectives and policies

IFAL is committed to a proactive approach to risk management to reduce the risk of harm to clients, to IFAL itself and to the markets it operates in. Risk management activity is aligned to the business plan objectives and priorities. It encompasses all strategic and operational risks that may prevent IFAL from fulfilling its objectives.

Risk management is integrated with IFAL's management processes and lies at the heart of its decision making. Communication and learning are key to the process being effective.

Risk management is a continual learning process of risk identification, assessment, mitigation, monitoring and reporting that is embedded in the culture of the business.

The IFAL Audit and Risk Committee ("ARC") Terms of Reference requires that at least on an annual basis, the IFAL ARC reviews the IFAL strategy and considers its risk management policies and framework.

In order to align the risk management activities with the business objectives, IFAL has adopted the IHP Group Risk Management Policy and Framework and therefore the IHP Board and the IFAL Board are responsible for ensuring effective risk management policies and practices are in place. This includes the approach to identifying risks and setting and monitoring risk appetite.

IFAL has also put in place a Liquidity Risk Management Framework.

IHP Group's risk management objectives and policies are set out within the Risk and Risk Management section of the Strategic Report which forms part of the 'IHP Annual Report 2024 – for the year ending 30 September 2024' which can be found at www.integrafin.co.uk/annual-reports/.

3.2 Risk Management framework

IFAL has adopted the IHP Group's Risk Management Framework, which is implemented through a "three lines" risk governance model to ensure delineation of responsibility and to ensure the Company operates within the risk appetite defined by the IFAL ARC and the IHP ARC and approved by the respective Boards. This model is based on the principle that, to be effective, risk management capability must be embedded within the business, with independent oversight and assurance.

- **First Line** – The first line is the business departments ("the business") which have responsibility for managing and controlling their risks in accordance with agreed risk appetites through the implementation of a sound set of processes and controls.

Responsibility for risk management resides at all levels of the business, from the senior management team to department and team managers. All staff members are accountable for managing risks within the business areas for which they are responsible, ensuring compliance with prescribed plans, policies and prevailing regulatory and legislative requirements.

The business is also responsible for complying with the policies and standards which comprise the IHP Group's Risk Management Framework. Current key risks and issues facing the IHP Group are considered by the management team, with each key risk owned by a member of the management team who is responsible for the strategic management of that risk across the IHP Group.

- **Second Line** – The second line comprises of two functions: the Group Risk Management function and the Compliance function.

The Group Risk Management function is responsible for coordinating all the risk management activities within the business. This includes the development, maintenance and enhancement of the IHP Group Risk Management Policy and Framework, as well as risk management reporting.

The Compliance function is primarily responsible for supporting the IHP Group to ensure its activities are conducted in accordance with all applicable regulatory requirements.

The Group Risk Management and Compliance functions provide regular reports to the IFAL ARC and the IHP ARC, which are comprised solely of independent Non-Executive Directors ("NEDs").

- **Third Line** – The third line is the Group Internal Audit function, which provides independent assurance on the adequacy and effectiveness of the IHP Group's risk management, governance and internal controls. The Group Head of Internal Audit reports functionally to the Chairs of the IFAL ARC, ILUK ARC, ILInt ARC and IHP ARC, and administratively to the IHP Group CEO.

Group Internal Audit performs audits and reviews across the business on the implementation and effectiveness of the IHP Group Risk Management Policy and Framework and internal controls. The results of these audits are reported to the relevant ARCs. Where Group Internal Audit has reviewed the effectiveness of IFAL's risk management and internal controls, this is reported to the IFAL ARC and any material findings identified are escalated to the IFAL Board if appropriate. The Boards are satisfied that Group Internal Audit provides sufficient assurance about the effectiveness of the IHP Group Risk Management Policy and Framework and internal controls.

3.3 Risk management practices

The IHP Group and IFAL are committed to maintaining a proactive approach to risk management. In establishing the Risk Management Policy and Framework for the IHP Group, consideration has been given to the effective management of the business, regulatory requirements and the principles of risk management as defined by the Committee of Sponsoring Organisations of the Treadway Commission ("COSO").

The objective of the IHP Group's Risk Management Policy and Framework is to ensure that the approach to risk management that is adopted by IFAL:

- supports the IHP Group's business strategy;
- facilitates the IHP Group's creation of value and mitigates risks that have the potential to destroy value through addressing uncertainty explicitly;
- ensures that the process of risk management is developed and managed throughout the IHP Group in a consistent manner;
- ensures that risk management is embedded throughout the IHP Group, promoting a culture of risk awareness and risk ownership;
- ensures that the IHP Group has sound systems of risk management in place and is able to demonstrate it operates effectively;
- provides the IHP Group with the tools required to enhance risk based decision making throughout the organisation; and
- meets all the risk management related regulatory requirements.

A consistent approach to the identification, assessment, mitigation, monitoring, and reporting of risks is embedded throughout the IHP Group, including IFAL. The key risks in each area of the business are identified and monitored on a regular basis. The risk experience emerging from each business area is used to improve all aspects of the risk management process within the IHP Group.

Risk appetite can be defined as the amount of risk that the IFAL Board is prepared to accept in order to achieve its business objectives. IFAL has generally adopted an overall conservative appetite for risk, which is reflected in its Risk Appetite Framework which is approved by the IFAL Board at least annually, and sets out key risk appetite statements covering solvency, liquidity and operational risks. There are agreed qualitative and quantitative statements, overseen by the IFAL ARC, which are

designed to express the maximum risk exposure that the Company is willing to take in the normal course of business. IFAL's risk appetite preferences are aligned to its risk exposures, business strategy and desire to ensure good outcomes for all of its stakeholders.

A risk report is produced by the Group Risk Management function on a quarterly basis and is provided to the IFAL ARC. Additionally, a quarterly risk report is provided to the IHP ARC. Based on the risk register, these reports contain analysis on the changes in the risk register and top risks. In addition, they provide details of the status of risk appetites, Key Risk Indicators, loss data, risk culture and other relevant updates and issues.

The Chair of the IFAL ARC subsequently informs the IHP ARC or the IFAL Board of any relevant and material issues for discussion and approval in respect of IHP or IFAL respectively.

3.4 Internal Capital Adequacy and Risk Assessment Process ("ICARA")

IFAL assesses and manages its risk through the ICARA process with the outcome formally considered and approved by the IFAL Board at least annually to the accounting reference date of 30 September, with more frequent reviews following any material change in IFAL's business or operating model or its operating environment. Risk management activities that form part of the ICARA process, and its conclusions, are assessed on a continuous basis.

IFAL is required to have in place appropriate systems and controls to identify, monitor and, if proportionate, reduce all material potential harms that the ongoing operation of its business may cause to:

- IFAL's clients;
- IFAL itself (the firm); and
- the markets in which IFAL operates.

In addition to any potential harms that may result from winding down its business, ensuring it can be wound down in an orderly manner.

The ICARA is an interactive process that involves Group Risk Management, Senior Management and Heads of Departments. It is an iterative process that follows the three lines risk governance model and incorporates several layers of challenge before the final output reaches the IFAL Board. It ensures a clear and transparent link between the risk profile of the business, taking into consideration IFAL's processes, strategies and systems, and the capital and liquidity it holds.

Taking the above factors into account, IFAL "must, at all times, hold own funds and liquid assets which are adequate, both as to their amount and their quality to ensure that:

- a)** the firm is able to remain financially viable throughout the economic cycle, with the ability to address any material potential harm that may result from its ongoing activities; and
- b)** the firm's business can be wound down in an orderly manner, minimising harm to consumers or to other market participants."

This is known as the overall financial adequacy rule ("OFAR") (MIFIDPRU 7.4.7).

The IFAL Board recognises the importance that business decisions have on capital requirements and uses the ICARA process to support business decision-making and considers it to be embedded into the business. On this basis the IFAL Board is satisfied that the firm has sufficient own funds and liquid assets to meet the OFAR.

The ICARA report for the year ending 30 September 2024 was formally approved by the IFAL Board in December 2024.

3.4.1 Own funds assessment

As part of the ICARA process, IFAL carries out an assessment of its risks and potential material harm to clients, the markets it operates in and itself that arise by pursuing its corporate objectives. IFAL has considered a range of risk categories, including:

- Operational risk: The principal operational risks considered are information security, technology, financial crime, people, legal and regulatory risks, and maintaining adequate and robust processes that maintain operational resilience and business continuity requirements
- Financial risk: The principal financial risks are market, expense, capital and liquidity.
- Strategic risk: The principal strategic risks are competition risk and political risk.

3.4.1.1 Liquidity risk

This is the risk that IFAL does not have available sufficient financial resources to enable it to meet obligations as they fall due, or where the Company can secure such resources only at excessive cost. The Company's liquidity risk arises from a lack of readily realisable cash to meet debts as they become due. This takes two forms – clients' liabilities coming due and other liabilities (e.g. expenses) coming due. Liquidity risk is managed by maintaining sufficient corporate and client resources in liquid investments, and the related credit risk is diversified by holding corporate cash and Client Money in a number of UK-based banks to mitigate the risk of a single point of counterparty default failure.

IFAL carries out appropriate liquidity stress testing and maintains contingency funding plans. In addition, IFAL holds unencumbered cash, in a dedicated account, for the sole purpose of covering the initial period of winding down the company in the unlikely event an adverse scenario arose causing it to no longer be considered viable.

The IFAL Liquidity Risk Management Framework describes the firm's overarching liquidity systems and controls requirements in line with its liquid asset threshold requirement (MIFIDPRU 7.7.2R) and sets out how IFAL will maintain overall resources to adhere to the liquidity risk appetites set by the IFAL Board.

3.4.1.2 Concentration risk

Concentration risk can arise from an uneven distribution of exposures in particular categories of risk. Concentration is an aspect of each of the risks that have been assessed as part of IFAL's overall own material risk assessment and are monitored regularly, with Board approved risk appetites in place to limit concentration risk where appropriate. In particular:

- Client money deposits: The largest exposure for the Company is the credit risk in relation to Client Money cash balances held in banks. The Company considers the credit rating of banks used and carries out due diligence in order to gain comfort over the recoverability of these balances. Risk appetites are in place to limit the exposure to any single bank and the IFAL Board has sufficient control to keep the concentration levels within appetite through adjusting the cash balances as required and opening new bank accounts if necessary.
- Fund management company concentration: This is the risk that a large share of FUD is invested with a small number of fund managers. Most clients have a mix of funds provided by a range of fund management companies in their portfolios. If one fund management company were to withdraw access to its products from the platform, clients are able to invest in many other similar funds from other fund management companies. This is not considered to represent a threat in terms of concentration risk.
- Adviser firm concentration: This is the risk that business source is concentrated with too few financial advisers. This is considered low risk.
- Individual client concentration: This is the risk that a small number of clients hold a large percentage of FUD. This is considered low risk.

3.5 Principal risks

As part of the ICARA process, IFAL has identified that by pursuing the achievement of its corporate objectives, it is exposed to the following principal risks that may result in material harm to clients, the markets it operates in and itself. IFAL has considered these risk categories when assessing its own funds requirement:

Operational risk: This is the risk of loss due to failings in people, processes, or systems; or due to the failure to anticipate and deal with external events, including third party failures as well as regulatory change. IFAL employs a wide range of control and reporting measures to manage and mitigate its operational risk exposure, including documentation and testing of all key processes, and thorough stress and scenario testing of events which could create significant operational risk.

The key operational risks are information security, IT infrastructure, adequate and competent staffing levels and maintaining adequate and robust processes that maintain operational resilience and business continuity requirements. These have a significant dependency upon the effective identification and management of the threat from cyber security risks, the ability of the Group to be able to retain and attract new staff to the business and maintaining efficient and well documented processes including for the selection and ongoing monitoring of key suppliers. IFAL aims to minimise operational risk at all times through a strong and well-resourced control and operational structure combined with continuous investment in both people and systems. This is supported by a comprehensive understanding of the business processes and a strong corporate governance structure that is responsive to the strategic operational needs of the Company, its key stakeholders and the Group as a whole.

Active system developments and maintaining effective cyber defences mitigate against the risk of IT infrastructure failure, information security breaches and the continuous and evolving sophistication of cyber-attacks. Operational risk events are captured and full root cause analysis is undertaken to ensure lessons are learned and improvements are made where necessary.

Operational resilience is assessed across a range of collective operational resources which include IT, people, facilities and processes both internally and externally sourced. The ability to maintain operations in the event of unexpected operational disruption without causing levels of intolerable harm to customers, being clients and adviser firms on the platform, remains high on the operational risk agenda.

In addition, the IHP Group is aware of its need to retain and attract experienced and competent people within the business. In this regard salary benchmark reviews are undertaken, a comprehensive career and training development programme is maintained and staff are provided with a flexible working environment that meets both staff and business needs.

These aspects form an integral part of the environmental, social and governance (ESG) agenda. The IHP Group has embraced the developments by continuing to work towards understanding the impact of climate change on the business operations and ensuring diversity and inclusion is actively embedded across all areas of the business.

Market risk: This is the risk that the value of, or net income arising from, assets and liabilities changes as a result of changes to market forces, specifically equity prices, interest rates or exchange rates. IFAL does not undertake proprietary trading; it has no appetite for primary risk impact from market movements. IFAL only suffers a second order impact from market movements, as future charges are predominantly determined based on clients' portfolio values. The Company does not offer any guarantees on portfolio values. When establishing its capital requirement, IFAL undertakes stress and scenario testing to model and allow for significant market falls.

Stress and scenario analysis is conducted to demonstrate that IFAL (and the wider IHP Group) is resilient to market fluctuations which impact the value of funds under direction.

Liquidity risk: This is the risk that IFAL does not have available sufficient financial resources to enable it to meet obligations as they fall due. Liquidity risk is managed by maintaining sufficient resources in liquid investments, and the related credit risk is diversified by holding corporate cash in a number of UK- based banks to mitigate the risk of a single point of counterparty default failure.

IFAL carries out appropriate liquidity stress testing and maintains contingency funding plans. In addition, IFAL holds unencumbered cash, in a dedicated account, for the sole purpose of covering the initial period of winding down the company in the unlikely event an adverse scenario arose causing it to no longer be considered viable.

The IFAL Liquidity Risk Management Framework describes the firm's overarching liquidity systems and controls requirements in line with its liquid asset threshold requirement (MIFIDPRU 7.7.2R) and sets out how IFAL will maintain overall resources to adhere to the liquidity risk appetites set by the IFAL Board.

Credit and counterparty risk: This is the risk that a borrower or counterparty fails to pay the interest or to repay the principal on a loan or other financial instrument.

IFAL has a limited appetite for significant loss arising from any counterparty's failure to meet their obligations under a contract. IFAL maintains conservative third party counterparty risk limits which must be adhered to. There is an annual review of banks used for holding client and corporate cash to assess their strength and, if necessary, to mitigate any short term cash flow or liquidity risk. IFAL also manages credit risk through the rigorous separation of client money and assets from corporate assets. Also, inter-company payments within the IHP Group are settled monthly, reducing the credit risk exposure.

IFAL is not exposed to counterparty credit risk, as it does not enter into derivative transactions. In the normal course of business, IFAL is not exposed to counterparty risk from its clients, as fees are charged to clients and paid from their cash held on the Transact platform. There are measures that IFAL can take to recover unpaid fees. Where clients owe an IHP Group company fees, and these are past due and there is no realistic expectation of the fees being recovered, then the IHP Group makes a full provision for the amount owing. "Past due" is defined as any sum owing to any member of the IHP Group that is past its contractual settlement date. After three months, the sum is treated as "impaired", and provided for at 100% of the amount owing. The exception to this is where fees are owed by clients on limited liquidity assets, in this case fees are provided for at 100% when they fall due as these assets are not liquid enough to generate cash to pay fees.

Concentration risk: Concentration risk can arise from an uneven distribution of exposures in a particular area of category of risk. Concentration is an aspect of each of the risks that have been assessed as part of IFAL's overall own material risk assessment and are monitored regularly, with Board approved risk appetites in place to limit concentration risk where appropriate. In particular:

- **Client money deposits:** The largest exposure for the Company is the credit risk in relation to Client Money cash balances held in banks. The Company considers the credit rating of banks used and carries out due diligence in order to gain comfort over the recoverability of these balances. Risk appetites are in place to limit the exposure to any single bank and the IFAL Board has sufficient control to keep the concentration levels within appetite through moving the cash around and opening new bank accounts if necessary.
- **Fund management company concentration:** This is the risk that a large share of funds under direction ("FUD") is invested with a small number of fund managers. Most clients have a mix of funds provided by a range of fund management companies in their portfolios. If one fund management company were to withdraw access to its products from the platform, clients are able

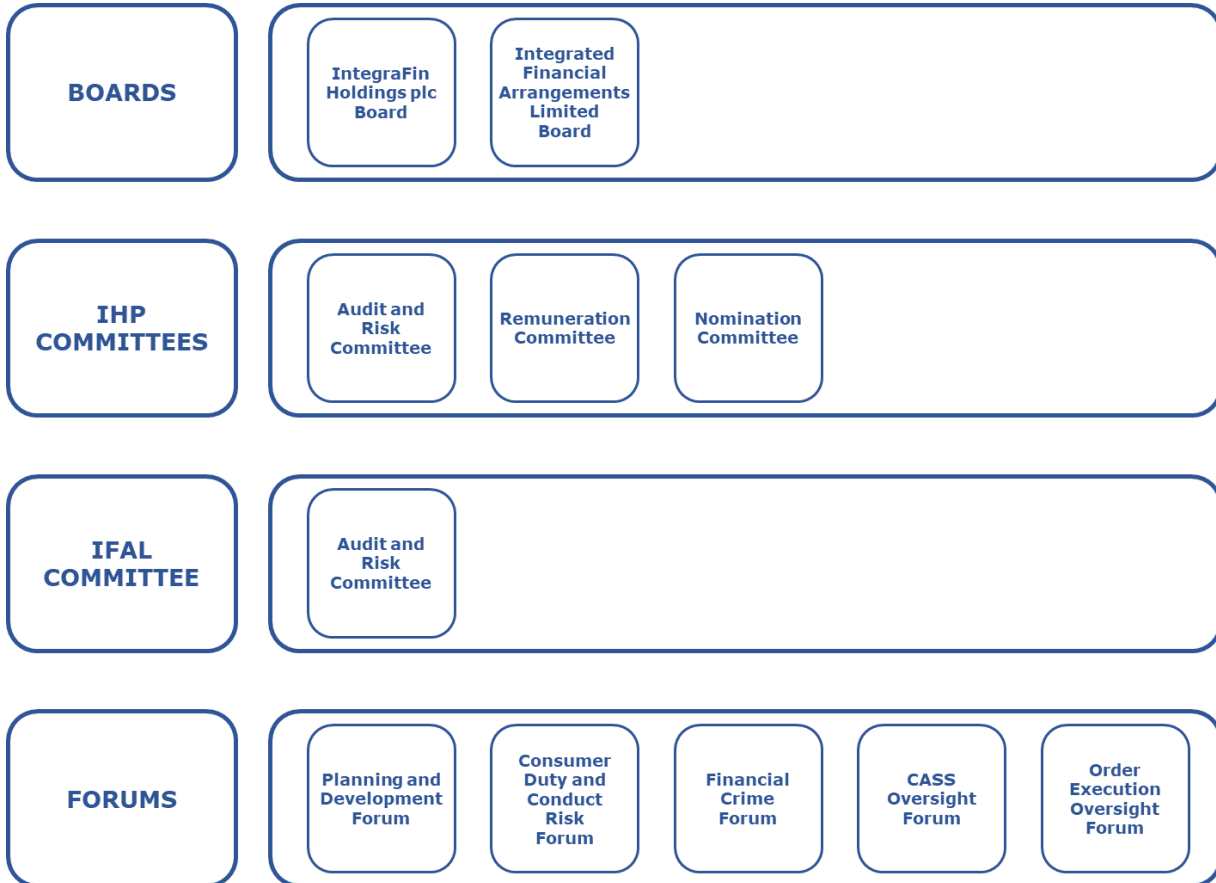
to invest in many other similar funds from other fund management companies. This is not considered to represent a threat in terms of concentration risk.

- Adviser firm concentration: This is the risk that business source is concentrated with too few financial advisers. This is considered low risk.
- Individual client concentration: This is the risk that a small number of clients hold a large percentage of FUD. This is considered low risk.

4. Governance Arrangements

4.1 Overview of Governance Arrangements

There are three regulated companies within the IHP Group: IFAL, ILUK and ILInt. Each Board operates according to terms of references, which are reviewed annually by way of a standing agenda item. The following paragraphs provide details of IFAL's Board and Committees' remits, responsibilities and members. The structure of the IHP Group and IFAL's corporate governance arrangements is shown below:



4.2 The Role of the Board

4.2.1 Remit

The IFAL Board is the main decision making body for IFAL. It determines the overall strategic direction and is responsible for the overall management of the firm's business operations. IFAL's Board of Directors set the risk appetites for the business to ensure it operates within its strategic risk profile. The Board meets at least quarterly and reviews the business performance against appetite, undertakes a strategic review of issues and assesses any potential harms that might arise impacting customers and the firm.

4.2.2 High level decision making and control framework

Decision-making responsibility at IFAL rests ultimately with the Board. This is cascaded through the organisation by the delegation of responsibility both the IFAL Audit and Risk Committee and to the CEO as appropriate. The CEO has established an Executive Committee to support delivery of the delegated responsibilities within the bounds of the authority delegated by the Board.

The Board has also delegated to the IHP Remuneration Committee review and recommendation of the remuneration policy and awards payable to individuals falling within the SYSC19G requirements applicable to IFAL.

The Board has delegated to the IHP Nomination Committee activities in support of the Board's responsibilities for board and senior management suitability and succession planning.

As shown above, the Board is ultimately responsible for all aspects of control and risk management, not just financial controls. Although responsibility is delegated for day-to-day activities, the Board maintains overall responsibility for the strategy of the firm and its compliance with all laws and regulations.

Senior management has active day to day involvement in the running of the business. However, the Company adheres to the following principles in its high level organisational arrangements:

- Reporting lines and the extent and limits of delegation are clear, documented and communicated appropriately.
- Senior management supervise delegation and monitor the discharge of delegates' functions.
- If any cause for concern is identified through supervision and monitoring, appropriate follow up action is taken.
- Duties are segregated to reduce opportunities for conflicts, financial crime and breaches of regulatory requirements.

4.2.3 Information about the management body

IFAL's management body is the Board of Directors of IFAL. As at 30 September 2024, there were eight directors, comprising the Chair, who is a non-executive director (NED), three further NEDs and four executive directors.

The table below sets out the members of the IFAL Board and their total number of directorships as of 30 September 2024. Directorships held within the same group (for external directorships) are counted as a single directorship.

Name	Position within IFAL	No. of external individual directorships held (in scope of MIFIDPRU 8.3.1R(2))
Richard Cranfield	Chair - Non-Executive	2
Thomas Dunbar	Executive	0
Mary Gavigan	Non-Executive	3
Jonathan Gunby	Executive	0
Jane Isaac	Executive	0
Robert Lister	Non-Executive	2
Amanda Rendle	Non-Executive	3
Alexander Scott	Executive	0

The members of the Board of Directors are able to dedicate enough time to the role and maintain a high level of awareness of:

- The balance of knowledge, skills, diversity and experience of the management body.
- The needs of the business when deciding on suitable candidates for a new appointment (including understanding the details of the roles and capabilities required for the appointment, and consideration of the importance of complementary skills on that Board).
- The appropriateness of the structure, size, composition and performance of the management body, and the need for any changes/additions to the body, on an ongoing basis.
- The role of NEDs in ensuring that decision making is based upon appropriate input from the whole membership of the management body, and decision making is not made in a way which is detrimental to the firm.

The composition of the Board is established to ensure it possesses a broad set of qualities and competencies which enable a balanced view of the role requirements to be formed and the knowledge, skills and experience of individual members are subject to annual review as part of the Board's terms of reference.

4.2.4 Conflicts of interest

IFAL has a Conflicts of Interest Policy in place that has been approved by the IFAL Board, with the objective to promote the integrity of the market and the interests of clients. The Company's Articles of Association permit the Board to consider and authorise situations where a director has an actual, or potential, conflict of interest in relation to the Group. The Company maintains a conflicts of interest register, which is reviewed annually by the IHP Nomination Committee and the Board. In addition, prior to each Board meeting, the directors are required to declare any conflicts they may have with regard to the business meeting. Directors who declare a conflict of interest may be authorised by the rest of the board to participate in decision making in accordance with section 175 of the Companies Act 2006.

The Board considers and, if appropriate, authorises any conflicts or potential conflicts of interests of directors and imposes any limitations, qualifications or restrictions as required or as recommended by the IHP Nomination Committee.

4.2.5 Recruitment and selection of members of the Board of Directors

The IHP Group recognises the benefits of companies having a diverse Board and sees diversity at Board level as important in maintaining good corporate and board effectiveness. The IHP Group has an established diversity policy dealing with appointments to the Board.

The objective of the IHP Group's diversity policy is to ensure that new appointments to any Board within the IHP Group are made on merit, taking into account the different skills, industry experience, independence, knowledge and background required to achieve a balanced and effective Board.

When determining the composition of the Board, consideration is given to the diversity of board members and, when possible, appointments are made with a view to achieving a balance of skills with diversity.

Further information on the diversity of the Board is included in the IHP Annual Report and Accounts which provides details of:

- The objectives and targets that are set out in the diversity policy;
- The extent to which the objectives and targets have been achieved, including:
 - the reasons for the shortfall;
 - the proposed actions to address the shortfall; and
 - the proposed timeline for taking those actions.

4.3 IFAL Audit and Risk Committee (“ARC”)

IFAL has an Audit and Risk Committee that provides oversight and advice to assist the Board in fulfilling its responsibilities in respect of risk management and control for IFAL and ensures the effectiveness of risk management processes. The IFAL ARC meets at least four times per year and more often when necessary. In the financial year ending 30 September 2024, the IFAL ARC met six times.

The IFAL ARC reviews the manner in which the firm implements and monitors the adequacy of the IHP Group Risk Management Policy and Framework, assessing the adequacy of the internal risk management controls. It assists the Board in fostering a culture within the firm that encourages good stewardship of risk. It emphasises and demonstrates the benefits of a risk-based approach to internal control and management through a consistent approach to identification, assessment, mitigation, monitoring and reporting of risks. In addition, the IFAL ARC oversees regulatory and compliance matters as part of risk oversight.

4.4 IFAL Executive Committee (“IFAL ExCo”)

The holders of IFAL senior management functions and the Head of Legal form the members of the IFAL ExCo, which normally meets monthly, and has collective responsibility for daily oversight and management of activities in accordance with the IHP Group’s risk management objectives and policies.

4.5 Other Forums Supporting the IFAL Governance Arrangements

4.5.1 Planning and Development forum

The Planning and Development Forum is established as an operating group of IFAL. Its purpose is to review and prioritise those projects that the executive considers to be of significance. The CEO will keep the IFAL ARC and/or IFAL Board apprised of any significant project risks and mitigating actions taken.

4.5.2 Consumer Duty and Conduct Risk Forum

The Consumer Duty and Conduct Risk Forum is established as a specialist working group reporting to the IFAL CEO. Its purpose is to oversee the performance of IFAL as regards its distributor role, its products in relation to its consumers and as wrapper administration service provider to ILUK and ILInt against:

- i)** the approach set out in the Consumer Duty and Conduct Risk Framework
- ii)** the FCA Consumer Duty and Conduct duty principle and rules applicable to IFAL and ILUK
- iii)** the applicable treating policyholders fairly obligations and other relevant regulations of the Isle of Man Financial Services Authority (“IOMFSA”)
- iv)** the Isle of Man Corporate Governance Code for regulated Insurance Entities.

In July 2023 the FCA introduced rules to create a consumer duty owed to retail customers by persons authorised under the Financial Services and Markets Act 2000 to carry-on regulated investment activity by way of business. To support compliance with the duty, the FCA also introduced rules about how an authorised firm’s management and board should oversee and assure itself that the firm is meeting its duty and securing the right outcomes for its retail customers. The consumer duty applies to and impacts IFAL, ILUK, its Senior Management Function Holders and code staff.

The consumer duty has three key elements: a consumer principle, which requires that firms “must act to deliver good outcomes for retail clients”, three cross-cutting rules that require firms to; act in good faith toward retail clients, avoid foreseeable harm to retail clients and enable and support retail customers to pursue their financial objectives; and an additional set of rules and guidance stated in

four consumer outcomes; Products and Services, Price and Value, Consumer Understanding and Consumer Support.

4.5.3 Financial Crime Forum

The Financial Crime Forum is established to provide oversight of financial crime controls and to consider remediation activity in the event of any breakdown or significant weakness in those controls or a fraud or attempted fraud against a company within the IHP Group that provides the Transact platform or against a client of the Transact platform.

4.5.4 CASS Oversight Forum

The CASS Oversight Forum is established to provide CASS operational oversight for IFAL and to assist IFAL's Senior Manager responsible for CASS operational oversight (prescribed responsibility z) to discharge their responsibilities (the "CASS SM").

The CASS SM will report material client money and asset issues that require immediate decision or action to the IFAL CEO on an ad-hoc basis.

4.5.5 Order Execution Oversight Forum

The Order Executive Oversight Forum is established by the IFAL CEO as a specialist forum to review client order handling arrangements, execution performance and the adequacy of associated control arrangements.

5. Own Funds

5.1 Composition of Regulatory Own Funds

The IFAL Board has considered the quality of the Company's financial resources, and considers that all of IFAL's current capital is Common Equity Tier 1 Capital. The Company does not have any Additional Tier 1 Capital or Tier 2 Capital as at 30 September 2024.

IFAL's capital structure is set out in the table below (taken from IFAL's financial statements – company balance sheet).

Table OF1: Composition of regulatory own funds

Ref	Item	Amount (£000's)	Source based on reference numbers / letters of the balance sheet in the audited financial statements
1	OWN FUNDS	74,770	
2	TIER 1 CAPITAL	74,770	
3	COMMON EQUITY TIER 1 CAPITAL	74,770	
4	Fully paid up capital instruments	59	Note 18
5	Share premium	20,720	Note 19
6	Retained earnings	60,163	Statement of changes in equity
7	Accumulated other comprehensive income	-	
8	Other reserves	54	Note 20 and Note 24
9	Adjustments to CET 1 due to prudential filters	-	
10	Other funds	-	
11	(-) TOTAL DEDUCTIONS FROM COMMON EQUITY TIER 1	0	
19	CET1: Other capital elements, deductions and adjustments	-	
20	ADDITIONAL TIER 1 CAPITAL	0	
21	Fully paid up, directly issued capital instruments	-	
22	Share premium	-	
23	(-) TOTAL DEDUCTIONS FROM ADDITIONAL TIER 1	-	
24	Additional Tier 1: Other capital elements, deductions and adjustments	-	
25	TIER 2 CAPITAL	0	
26	Fully paid up, directly issued capital instruments	-	
27	Share premium	-	
28	(-) TOTAL DEDUCTIONS FROM TIER 2	-	
29	Tier 2: Other capital elements, deductions and adjustments	-	

Called up equity share capital: IFAL's share capital comprises allotted, called up and fully paid shares. Further details are set out in section 5.3.

Share premium account: The portion of shareholders' funds formed from the premium paid for new shares above their nominal value.

Retained reserves: Retained reserves are those which have been independently audited.

Other reserves: Other reserves comprise the share-based payment reserve and capital redemption reserve. There are certain restrictions on the use of these reserves under UK company law, but this is not a material amount of the capital.

The firm has no additional Tier 1 capital and there are no restrictions or prudential filters on the capital. The firm has no Tier 2 capital.

5.2 Reconciliation of Regulatory Own Funds to Balance Sheet in the Audited Financial Statements

The table below provides a reconciliation of the firm's own funds broken down between the asset and liability classes respectively, as reflected in the IFAL 30 September 2024 audited annual financial statements.

Table OF2: Reconciliation of regulatory own funds to balance sheet in the audited financial statements

Amount (GB thousands)	as at 30/09/2024		as at 30/09/2023		Cross-reference to table OF1	
	Balance sheet as in audited financial statements	Under regulatory scope of consolidation	Balance sheet as in audited financial statements	Under regulatory scope of consolidation		
Assets						
1	Investments	144	n/a	72	n/a	
2	Prepayments and accrued income	7,431	n/a	6,555	n/a	
3	Trade and other receivables	4,371	n/a	4,197	n/a	
4	Current tax asset		n/a	738	n/a	
5	Cash and cash equivalent	77,412	n/a	44,041	n/a	
6	Total Assets	89,358	n/a	55,603	n/a	
Liabilities						
7	Trade and other payables	7,038	n/a	4,872	n/a	
8	Current tax liabilities	203	n/a	n/a	n/a	
9	Provisions	1,121	n/a	868	n/a	
10	Total Liabilities	8,362	n/a	5,740	n/a	
Shareholder equity						
11	Called up equity share capital	59	n/a	57	n/a	Ref 4
12	Share premium account	20,720	n/a	5,722	n/a	Ref 5
13	Capital redemption reserve	2	n/a	2	n/a	Ref 8
14	Share-based payment reserve	52	n/a	60	n/a	Ref 8
15	Profit and loss account	60,163	n/a	44,022	n/a	Ref 6

16	Total Shareholder equity	80,996	n/a	49,863	n/a	Ref 1
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The difference between Total Shareholder Equity (16) and Own Funds is as a result of unverified profits as at 30 September 2024. These profits have now been verified as part of the year end audit.

5.3 Main features of Own Instruments Issued by the Firm

Table OF3: Own funds: main features of own instruments issued by the firm

1	Issuer	Integrated Financial Arrangements Ltd
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
3	Governing law(s) of the instrument	English Law

Regulatory Treatment

4	Regulatory classification (MIFIDPRU 8.4)	Common Equity Tier 1
5	Eligible at solo/(sub)consolidated/ solo & (sub-)consolidated	Solo
6	Instrument type (types to be specified by each jurisdiction)	Ordinary shares
7	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	GBP 0.059m
8	Nominal amount of instrument	GBP 0.05
9	Issue price	The original authorised share capital at 5 March 1999 was £50,000 divided into 50,000 shares of £1 each. On 5 March 1999 49,998 ordinary shares of £1 each were issued and paid up in full. Since then there have been a number of capital restructurings and shares have been issued at different prices over time, with all shares paid up in full.
10	Redemption price/rights	N/A
11	Accounting classification	Shareholders' Equity
12	Original date of issuance	5 March 1999
13	Perpetual or dated	Perpetual
14	Original maturity date	No maturity
15	Issuer call subject to prior supervisory approval	No
16	Optional call date, contingent call dates and redemption amount	N/A
17	Subsequent call dates, if applicable	N/A

Coupons and Dividends

18	Fixed or floating dividend/coupon	Floating
19	Coupon rate and any related index	N/A
20	Existence of a dividend stopper	No
21	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary
22	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
23	Existence of step up or other incentive to redeem	No
24	Non-cumulative or cumulative	Non-cumulative
25	Convertible or non-convertible	Non-convertible
26	If convertible, conversion trigger(s)	N/A
27	If convertible, fully or partially	N/A
28	If convertible, conversion rate	N/A
29	If convertible, mandatory or optional conversion	N/A
30	If convertible, specify instrument type convertible into	N/A
31	If convertible, specify issuer of instrument it converts into	N/A
32	Write-down features	No
33	If write-down, write-down trigger(s)	N/A
34	If write-down, full or partial	N/A
35	If write-down, permanent or temporary	N/A
36	If temporary write-down, description of write-up mechanism	N/A
37	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	N/A
38	Non-compliant transitioned features	No
39	If yes, specify non-compliant features	N/A

6. Own Funds requirement

6.1 Overview

The level of regulatory capital that IFAL must hold is referred to as the own funds threshold requirement (OFTR). IFAL's OFTR was determined by the higher of the three below elements:

- Permanent minimum capital requirement (PMR): £0.150m
- Fixed overheads requirement (FOR): £9.810m
- Total K-factor requirement (KFR): £38.658m

Additional capital is added as a result of IFAL conducting its own assessment and scenario testing in order to identify additional risks and potential harms that may arise through its ongoing activities.

(£m)	IFAL at 30 Sept 2024	IFAL at 30 Sept 2022
Total Own Funds	74.770	44.409
Own funds threshold requirement (OFTR)	58.373	33.248
Excess held	16.397	11.160

6.1.1 Fixed Overheads Requirement

The fixed overhead requirement (FOR) calculation is an amount equal to one quarter of IFAL's relevant expenditure during the preceding year, as set out in MIFIDPRU 4.5. The FOR is £9.810m (2023: £8.654m).

6.1.2 K-factor requirement

IFAL's K-factor assessment is the sum of the following K-factors that are applicable to IFAL:

- K-ASA client assets safeguarded and administered: 0.04% of daily average client money holdings over the previous nine months (excluding the most recent three months)
- K-COH client orders handled: 0.10% of average daily trades over the previous six months (excluding the most recent three months)
- K-CMH client money held: 0.40% of daily average client money holdings over the previous nine months (excluding the most recent three months)

(£m)	IFAL at 30 Sept 2024	IFAL at 30 Sept 2023
K-CMH	16.097	12.546
K-ASA	22.372	20.236
K-CMH + K-ASA	38.469	32.782
K-COH	0.188	0.160
K-factor assessment	38.658	32.942

6.1.3 ICARA process

IFAL's policy is to conduct the ICARA process on an ongoing basis, with the ICARA report being produced with a 30 September reporting date, or following any material change in IFAL's business or operating model, and approved by the IFAL Board. There have been no material changes to IFAL's business or operating model in the preceding 12 months.

The IFAL Board recognises the impact that business decisions have on capital requirements and uses the ICARA process to support business decision-making. As part of IFAL's ICARA process, the Board:

- ensures that IFAL has an appropriate and effective risk management framework so Risk Owners can take the necessary steps to manage the identification, monitoring, control and reporting of risks and understand the implication of risk assessment and regulatory capital.
- oversees the effectiveness of IFAL's system of internal controls, which underpins the ICARA process.
- sets a Risk Appetite linked to its Own Funds Threshold Requirement
- sets the strategy and business plan, reviewing new business initiatives, financial performance, policy changes, organisation development, controls and corporate governance using ICARA updates to help inform its decisions.

7. Remuneration Code

7.1 Overview

The Remuneration section of this disclosure is made on a solo basis under MIFIDPRU 8.6. In addition, information relating to employees and directors in the Group that are not employees or directors of IFAL, has been included where they undertake activities which have an impact on IFAL's business activities and/or risk profile, in particular in relation to administering IFAL's products. These firms are ISL, IAD and IHP.

Under the MIFIDPRU Remuneration Code, IFAL is subject to the standard remuneration requirements and therefore this disclosure has been undertaken in line with the provisions for 'non-SNI firms' who do not meet the threshold for Large non-SNI firms.

7.2 Composition and mandate of the Remuneration Committee

This section of the disclosure sets out the firm's governance arrangements.

As a non-SNI firm that does not exceed the thresholds in MIFIDPRU, IFAL is not required to establish a Remuneration Committee. However, IFAL has chosen to rely upon the Remuneration Committee (the "Committee") established by the IHP Board for the purposes of assuring compliance with IFAL's obligations under the MIFIDPRU Remuneration Code.

The Committee is comprised of four independent IHP non-executive directors two of whom are also non-executives on the IFAL Board.

The purpose of the Committee is to review, set and agree aspects of the overall remuneration policy and strategy for the Group and the total compensation package for certain officers and employees within the Group, including those who have been identified as Material Risk Takers (MRTs). It does so with a view to aligning remuneration with the successful achievement of the Group's long-term objectives while taking into account the MIFIDPRU Remuneration Code, relevant regulatory requirements, market rates and value for money.

By delegation from IFAL, the Committee monitors the content and application of the Company's Remuneration Policy to individuals whose roles bring them into scope of the MIFIDPRU Remuneration Code. To the extent that the Committee does not approve their individual remuneration, the Committee considers whether the total reward for each of those employees remains compliant with the provisions of the code. The Committee is also responsible for reviewing an annual statement prepared by IFAL setting out how IFAL complies with FCA regulatory requirements on remuneration.

The Committee is governed by formal Terms of Reference which are reviewed annually. Four scheduled meetings took place during the year and additional ad hoc meetings were convened as required.

7.3 Advice to the Remuneration Committee

The Committee receives advice from the Head of Legal on the application of the MIFIDPRU Remuneration Code and other legislation and regulation applicable the Group; and from the HR Director on the Group's ability to attract and retain talent within the framework of the Remuneration Policy. The Group has also retained Deloitte LLP to give independent advice to the Committee as and when required.

7.4 Remuneration policy

7.4.1 Key principles of our remuneration policy/approach to remuneration

Our approach to remuneration is, we believe, aligned to our culture, our strategy and our success to date. Our remuneration philosophy remains underpinned by a responsible and sustainable remuneration structure, recognising that employees are one of our key stakeholders. We are committed to ensuring that employees participate in our success on broadly the same terms as our executive directors and senior managers. Where we take steps to drive exceptional performance amongst our management team we do so in a way that focuses delivery not on short-term outcomes but on the sustainable long term future success of the Group. Our objective is to align their financial interests with the interests of our investors, whilst keeping their reward measured and proportionate.

Our key principles are:

	Element	Basis
Fixed remuneration	Salary	Generally, no more than market rate is paid in basic pay
	Retirement benefits	Employer contribution to employee pension schemes available to all employees on the same terms
Benefits	Life insurance and private medical cover	Accessible to all employees on the same terms
Variable remuneration	Bonus	We currently operate an annual bonus arrangement in which all employees participate. The bonus is awarded as cash and, for the most senior managers, a portion deferred into shares, the purpose of which is to drive forward and strategic thinking and resilience of the Group.
	All Staff Share Incentive Plan	Accessible to all employees on the same terms
	No Long-Term Incentive Plan	-
	No guaranteed variable remuneration	-

7.5 Link between pay and performance

Performance is assessed on a "look back" basis, assessed against delivery of four Group wide anchors, the first being financial performance; and the remaining three considering non-financial performance. These are:

- stakeholder outcomes
- risk, regulation and ESG
- delivery of strategy

When considering stakeholder outcomes, the Committee assess delivery to:

- clients and advisers
- employees
- regulators
- shareholders
- suppliers
- the community

The Group rewards performance through two variable reward schemes:

Cash bonus: Discretionary cash bonus scheme, eligibility for and quantum of which is dependent upon achievement of personal objectives and the Group's delivery of its strategic and financial goals.

Cash bonus deferred into shares: the most senior managers in the Group, including those classified as SMFs and MRTs are eligible to be considered for a bonus award deferred into shares. The maximum award under this arrangement is 33% of basic pay and awards are subject to a three year holding period and conduct provisions which enable the Group to reduce or withdraw an award if certain personal conduct or corporate out-turns are identified.

The Group also operates an HMRC approved Share Incentive Plan in which UK employees of IFAL or its service provider are invited to participate.

7.6 Payments for loss of office

The Group made no payment to any director of the Company for loss of office in the performance period.

7.7 Risk adjustments

The Company applies discretion in the determination of any award and therefore no pre-defined risk adjustments are applied to awards. Rather, risk is one of the factors taken into account by the Committee when exercising its discretion. The Committee considers how effectively MRTs have managed the Company's risks. In particular the Committee considers the Company's principal financial and non-financial risk which have been identified as:

Financial risks: Market risk, outflow risk, expense risk, liquidity risk and credit risk.

Non-financial risks: Regulatory risk, operational risk, competition risk, political and geo-political risk, and reputational risk.

The Committee has discretion as regards the making of any award and the application of any adjustment to reflect performance against each metric. The bonus award deferred into shares also contains malus and clawback provisions enabling the Committee to reduce or withdraw any award in prescribed circumstances including in the event that the individual employee has engaged in misconduct justifying summary dismissal; or in the event of material misstatement or significant downward revision in the Group's financial results.

7.8 Material Risk Takers ("MRTs")

MRTs are those employees and directors whose professional activities have a material impact on the risk profile of the Group and/or its regulated entities.

The Company assessed the list of Material Risk Takers listed in SYSC19G and the wider devolvement of responsibility for risk within the Company and identified individuals who met the criteria. Individuals who have been identified and categorised as MRTs are broadly those who hold Senior Management Functions or whose professional activities can expose the Company to material risk.

Total compensation arrangements for MRTs are subject to the review of the Committee.

The list of individuals classified as MRTs is reviewed ahead of each performance year.

7.9 Total remuneration

The number of staff (including executive directors) employed by the firms within scope of this disclosure at the end of the year amounted 603 (30 September 2023: 552). All staff within the scope of this disclosure are employed by ISL and IAD.

The total remuneration, including bonuses and overtime, for staff employed by companies within scope of this disclosure, in the financial year ending 30 September 2024 was £45.815m (30 September 2023: £42.442m).

A total of 16 individuals were identified as material risk takers (MRTs) at 30 September 2024 (30 September 2023: 16). MRTs are employees whose professional activities could have a material impact on IFAL's risk profile.

The total remuneration awarded, including bonuses and shares, was split as follows:

	30 September 2024			30 September 2023		
(£'000)	Senior Managers and other MRTs ²	Other staff	Total (SMF, MRT and other staff)	Senior Managers and other MRTs ²	Other staff	Total (SMF, MRT and other staff)
(a) Fixed remuneration	2,400	36,896	39,296	1,670	33,925	35,594
(b) Variable remuneration	1,202	5,317	6,519	905	5,942	6,848
(c) Total remuneration (a, b)	3,602	42,213	45,815	2,575	39,867	42,442
(d) Guaranteed variable remuneration	0	N/A	0	0	N/A	0
(e) Severance payments	0	N/A	0	0	N/A	0
(f) Highest severance payment to an MRT	0	N/A	0	0	N/A	0
Sub-total (d, e, f)	0	0	0	0	0	0
Total remuneration	45,815			42,442		

²The Company has only identified one MRT who does not also hold a senior management function. The information for senior managers and MRTs is therefore aggregated.

The variable element of remuneration is intended to reward performance and encourage loyalty and is therefore adjusted for individual employees in accordance with performance. The criteria for performance are documented annually. No payments are made in advance.

Additionally, MRTs are eligible to receive employee discount on platform charges in line with all employees.

The full Directors' Remuneration Report is set out in the IHP Annual Report and Accounts.

Appendix 1 IHP subsidiaries

Group Company	Company description
IntegraFin Holding plc ("IHP")	Group holding company.
Integrated Financial Arrangements Ltd ("IFAL")	IFAL is authorised and regulated as a non-SNI MIFIDPRU investment firm by the FCA.
IntegraLife UK Limited ("ILUK")	ILUK's principal activity is the transaction of ordinary long-term insurance business within the United Kingdom through the Transact Personal Pension, Executive Pension, Section 32 Buy Out Pension Bond and Onshore Bond. ILUK is authorised and regulated by the Prudential Regulation Authority ("PRA") and regulated by the FCA.
IntegraLife International Limited ("ILInt")	ILInt's principal activity is the transaction of ordinary long-term insurance business through the Transact Offshore Bond. ILInt is incorporated in the Isle of Man and is authorised and regulated by the Isle of Man Financial Services Authority ("IOMFSA").
IntegraFin Services Limited ("ISL")	Provision of administration and management services to the IHP Group, providing financial, accounting and other services, including management of the London office.
Integrated Application Development Pty Ltd ("IAD")	Maintenance and support of platform related software, including Transact Online.
IntegraFin (Australia) Pty Ltd ("IAP" or "IntegraFin Australia")	Wholly owned subsidiary of IAD and is trustee to the IAD employee benefit trust.
IntegraFin Limited ("IFL")	Non-trading company holding unallocated shares in IHP for the benefit of the beneficiaries of an historical, now closed, staff incentive plan.
Objective Asset Management Limited ("OAM")	Dormant company.
Objective Funds Ltd ("OFL")	Dormant company.
Object Wealth Management Limited ("OWM")	Dormant company.
ObjectMastery (UK) Limited ("OMUK")	Dormant company.
Transact IP Ltd ("TIP")	Licences its proprietary software to other members of the IHP Group.
Transact Nominees Limited ("TNL")	Nominee company holding customer assets on behalf of IFAL.
Transact Trustees Limited ("TTL")	TTL is trustee of the SIPP, Personal Pension and the Executive Personal Pension schemes. TTL also holds all Term Deposits on trust for Transact clients for all wrapper types.
Time 4 Advice Limited ("T4A")	Specialist software provider for financial planning and wealth management firms.



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"Transact" is operated by Integrated Financial Arrangements Ltd, 29 Clement's Lane, London EC4N 7AE.

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