NEWS RELEASE

Half-year Report

2024-11-21

RNS Number : 0639N

XPS Pensions Group PLC

21 November 2024

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XPS Pensions Group plc

Unaudited interim results for the half year ended 30 September 2024

Consistently delivering growth and profitability

Financial highlights:

	Adjusted and excluding NPT (1)			**As reported**		
Half year ended 30 September	**2024**	**2023**	**YoY**	**2024**	**2023**	**YoY**
Actuarial and Consulting	£52.1m	£44.4m	17%	£52.1m	£44.4m	17%
Investment Consulting	£10.0m	£10.2m	(2%)	£10.0m	£10.2m	(2%)
Total Advisory	**£62.1m**	**£54.6m**	**14%**	**£62.1m**	**£54.6m**	**14%**
Administration	£45.2m	£32.4m	40%	£45.2m	£32.4m	40%
SIP	£6.1m	£5.4m	12%	£6.1m	£5.4m	12%
Total Group Revenue (excl. NPT)	**£113.4m**	**£92.4m**	**23%**	**£113.4m**	**£92.4m**	**23%**
NPT(1)	-	-	-	-	£2.1m	n/a

Total Group revenue	**£113.4m**	**£92.4m**	**23%**	**£113.4m**	**£94.5m**	**20%**
EBITDA	£30.9m	£22.5m	37%	£26.1m	£17.1m	53%
Profit before tax	£26.5m	£17.1m	55%	£18.2m	£8.1m	125%
Earnings per share	9.4p	6.2p	52%	6.3p	2.6p	142%
Fully diluted EPS	**8.9p**	**5.8p**	**53%**	**5.9p**	**2.5p**	136%
Net debt	**£22.4m**	**£68.2m**	**(67%)**	**£22.4m**	**£68.2m**	**(67%)**
Interim dividend	3.7p	3.0p	23%	3.7p	3.0p	23%

(1) Adjusted measures exclude the impact of amortisation of acquired intangibles, share based payments, exceptional items and the fair value adjustment to contingent consideration. They also exclude the results of the National Pension Trust (NPT) business which was sold in November 2023 (see appendix of the financial review).

- Strong client demand, increased project work, expansion of services and inflationary fee increases drove 23% growth in Group revenues to £113.4 million
- Further improvement in operational gearing with adjusted EBITDA of £30.9 million (+37% YoY)
- Tenth consecutive half year of YoY growth in revenues across Advisory and Administration which account for 95% of Group revenues:
    - Continued strong growth in Actuarial and Consulting revenues (+17% YoY, all organic)
    - Activity levels in Investment Consulting normalising after growth of 48% in previous two years (-2% YoY)
    - Administration revenue growth of 40% YoY with high levels of project work particularly for public sector clients
- SIP revenues up 12% YoY driven by growth in underlying SIP sales volumes and bank commission from higher client deposits
- Adjusted fully diluted EPS was up 53% YoY to 8.9 pence benefitting from strong trading, operational gearing and lower interest costs due to the reduction in debt following the sale of National Pension Trust in November 2023
- Increased interim dividend of 3.7 pence (2023: 3.0 pence) per share declared by the Board, reflecting XPS's progressive dividend policy and our continued confidence in the Group's prospects

Continuing to deliver on our growth strategy:

- Continuing to deliver consecutive YoY revenue growth since listing in 2017 alongside operational leverage; underscoring the strength of the brand and product offering, the highly predictable and recurring nature of the business model and the relentless focus on driving returns from investment in client services
- Strong culture reflected in high levels of retention, excellent client satisfaction scores as well as high employee net promoter scores
- Multiple industry awards - 'Actuarial and Pensions Consulting Firm of the year' and 'Covenant Advisor of the year'
- Proud to have joined the FTSE 250 - a significant milestone for the business and helpful in raising our industry profile when in discussions with larger pension schemes and employers
- Continuing to successfully transition clients on to Aurora; our proprietary administration platform which is expected to drive further operational gearing in the future
- Investing in building out our capability to service insurers, with key hires including David Honour, as head of Insurance Consulting.
- Continued focus on sustainability within the business, notable milestones achieved:
    - Retained signatory to the FRC's Stewardship Code
    - Remained fully carbon neutral for 4 years

Outlook

Another strong first half financial performance underscores the predictable and recurring nature of the XPS business model as well as the strength of the brand and our product offering. Regulatory changes continue to support client demand within Advisory. There remain growth opportunities for Administration in both the private and public sector. The Board is pleased with the Group's performance in the first half of the year and, notwithstanding an even tougher comparative period in the second half of the year, is confident of achieving overall full year results in line with its recently upgraded expectations.

Paul Cuff, Co-CEO of XPS Group, commented:

"We are very pleased with the first half performance of the Group. We have seen strong, profitable growth alongside further operational leverage as we have responded to high client demand, including in areas that we have invested in over recent years such as our risk transfer advisory capability and in public sector administration.

We have achieved many milestones, including the ongoing roll out of our proprietary new administration system, Aurora, and investing in our people, including making senior hires to drive future growth as we continue to broaden our advisory capabilities in an evolving pensions and insurance market.

Gaining entry into the FTSE 250 this summer was a big milestone on our journey. We are really excited about the future and are continuing to build on the positive momentum we have. I would like to thank all our people for the way they continue to support each other and our clients, we are very proud of them."

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Notes to Editors:

XPS Group is a leading consulting and administration business focused on UK pension schemes and insurers. XPS combines expertise, insight and technology to address the needs of over 1,400 pension schemes and their sponsoring employers on an ongoing and project basis, also providing advice and administration to UK life insurance companies. We undertake pensions administration for over one million members and provide advisory services to schemes and corporate sponsors in respect of schemes of all sizes, including 83 with assets over £1bn.

Forward Looking Statements

This announcement may include statements that are forward looking in nature. Forward looking statements involve known and unknown risks, assumptions, uncertainties and other factors which may cause the actual results, performance or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. These forward-looking statements are made only as at the date of this announcement. Nothing in this announcement should be construed as a profit forecast. Except as required by the Listing Rules and applicable law, the Group undertakes no obligation to update, revise or change any forward-looking statements to reflect events or developments occurring after the date such statements are published.

CO-CHIEF EXECUTIVES' REVIEW

We are very pleased with the performance of the Group in the first six months of the financial year. Revenue growth of 23%[1] is impressive, particularly given it follows two prior years of strong growth.

Our growth has again been profitable, with a rise of 37% in adjusted EBITDA on the prior period and continued operational leverage. This reflects a continued mix of business effect, as we have grown strongly in higher margin activities such as risk transfer advisory work, and also the benefits of increased efficiency in our business continuing to come through.

An evolving market, driving demand for our services

The UK pensions landscape has changed significantly in recent years. The rise in long-term interest rates has materially improved the financial position of most defined benefit schemes. This has opened up options for our clients, some of whom are now closer to the possibility of insurance transactions more quickly than they expected to be. Many pension schemes and employers are weighing these options against the idea of "running on for surplus".

All our clients need advice about their options and support on whichever path they conclude is right for them. Clients pursuing insurance transactions need wide ranging help, in areas such as evolving their asset strategies to be able to transact, to cleanse their membership data, and of course all of the broking work. These are often multi year projects. Clients pursuing "run on" also need wide ranging advice and support about how to do this safely, protecting the interests of all stakeholders including the pension scheme members.

Regulatory change is also a driver of demand. A new funding code was introduced in late September 2024, which changed the rules on how actuarial valuations should be carried out from this date onwards. Our advisory clients need bespoke advice on how to adapt to the new rules, and of course not all defined benefit schemes are yet in surplus; a sizeable number continue to wrestle with deficits that will take years to address. The new regulations have a bigger impact on schemes in this position.

We continue to work through other regulatory changes; work on GMP projects continues and provides a strong revenue stream. To date, we have still only completed GMP work for 14% of clients.

There are rectification projects in the public sector too. All public sector schemes are faced with the challenge of amending their members' benefits following the McCloud judgement that ruled that changes made to public sector pension schemes have not been implemented legally. This is driving high demand for our public sector administration clients, including the police forces and fire services. This work is one off in nature, with a statutory deadline to be largely complete by 31 March 2025, although we do see opportunities to win more ongoing clients where we can differentiate ourselves having been seen to have provided a strong service in this area.

As we look ahead, we continue to develop new services to meet market demands. The pensions world and the insurance world have always overlapped to a degree, and the rapid growth of the bulk annuity market is increasingly blurring the difference between the two. We have for many years provided services directly to insurers, supporting them in writing bulk annuity contracts. We are investing to broaden the services we can provide to life insurers, and were delighted to make a senior hire to lead our business in this area. David Honour, who joins us from PwC where he was a senior partner in the insurance advisory practice, started with us on 1 October 2024.

The roll out of our new administration system

We continue to transition clients onto our new proprietary administration system, Aurora. We achieved a big milestone successfully moving National Pension Trust, the master trust that we sold to SEI in November 2023 but where we retain the role of administrator, onto Aurora. More widely we have now migrated 46 clients, with over 150,000 members, on to the platform and we remain on track to migrate the remaining clients.

Aurora has multiple benefits for us; it drives efficiency in our business, helps us provide a better service to clients and online access for their members and is a key differentiator on new business opportunities.

1 Excluding NPT, including NPT year-on-year growth was 20%.

Continued industry recognition and a strong culture

We have had success in recent years in winning industry awards for what we do, and this year was no different. We were delighted to win "Pensions and Actuarial Consulting firm of the year" at the Professional Pensions Awards - arguably the "main award" at this event, and the third time in five years we have won this. At the same event, we also won "Employer Covenant Advisor of the year" which was particularly pleasing as this is the area of the business that was boosted by the acquisition of Penfida two years ago, and is real testament to the successful integration of Penfida colleagues into XPS.

We also win awards for our culture; our most recent awards were for "Business Culture Builder Award" and "Best Working Environment and Practices Initiative Award" at the Business Culture Awards 2024. We are passionate about our culture - it is the right thing to do, and it also drives good retention and recruitment and good business performance more widely. Happy, motivated people look after each other and our clients well.

FTSE 250 Entry

The performance of the Group has been strong for a number of consecutive financial reporting periods. We have grown revenues strongly - now up 68% over the last 3 years. We have grown profitably, demonstrating operational gearing, and we have increased our dividend throughout. The consequence of this has been good shareholder returns and, during H1, entry into the FTSE 250.

This is a big milestone for the Group. It is positive from an investor perspective, and more fundamentally the "blue chip" status is positive from a client and new business perspective. It also has the effect of boosting morale within the firm - our people can rightly feel very proud of how far our firm has come in recent years.

Outlook

Another strong first half financial performance underscores the predictable and recurring nature of the XPS business model as well as the strength of the brand and our product offering. Regulatory changes continue to support client demand within Advisory. There remain growth opportunities for Administration in both the private and public sector. The Board is pleased with the Group's performance in the first half of the year and, notwithstanding an even tougher comparative period in the second half of the year, is confident of achieving overall full year results in line with its recently upgraded expectations.

Financial Review

	Adjusted (1)			As reported		
Half year ended 30 September	**2024**	**2023**	**Change YoY**	**2024**	**2023**	**Change YoY**
Revenue						
Actuarial & Consulting	£52.1m	£44.4m	17%	£52.1m	£44.4m	17%
Investment Consulting	£10.0m	£10.2m	(2%)	£10.0m	£10.2m	(2%)
Total Advisory	**£62.1m**	**£54.6m**	**14%**	**£62.1m**	**£54.6m**	**14%**
Administration	£45.2m	£32.4m	40%	£45.2m	£32.4m	40%
SIP	£6.1m	£5.4m	12%	£6.1m	£5.4m	12%
NPT	-	-	-	-	£2.1m	n/a
Total revenue	**£113.4m**	**£92.4m**	**23%**	**£113.4m**	**£94.5m**	**20%**
Other operating income	-	-	-	-	**£0.1m**	**n/a**
Administrative expenses	(£82.5m)	(£69.9m)	(18%)	(£87.3m)	(£77.5m)	(13%)
EBITDA	**£30.9m**	**£22.5m**	**37%**	**£26.1m**	**£17.1m**	**53%**
Depreciation & amortisation	(£3.1m)	(£2.8m)	(11%)	(£6.6m)	(£6.4m)	(3%)
EBIT	**£27.8m**	**£19.7m**	**41%**	**£19.5m**	**£10.7m**	**82%**
Net finance expense	(£1.3m)	(£2.6m)	50%	(£1.3m)	(£2.6m)	50%
Profit before tax	**£26.5m**	**£17.1m**	**55%**	**£18.2m**	**£8.1m**	**125%**
Income tax expense	(£7.0m)	(£4.3m)	(63%)	(£5.2m)	(£2.6m)	(100%)
Profit after tax	**£19.5m**	**£12.8m**	**52%**	**£13.0m**	**£5.5m**	**136%**
Earnings per share	9.4p	6.2p	52%	6.3p	2.6p	142%
Fully diluted EPS	**8.9p**	**5.8p**	**53%**	**5.9p**	**2.5p**	**136%**
Interim dividend	3.7p	3.0p	23%	3.7p	3.0p	23%

(1)Adjusted measures exclude the impact of amortisation of acquired intangibles, share-based payments, exceptional items and the fair value adjustment to contingent consideration. They also exclude the results of the NPT business which was sold in November 2023. See note 3 for details of exceptional and non-trading items.

Group revenue

Total Group revenue for the six months ended 30 September 2024 grew 20% year on year to £113.4 million. Excluding NPT, total Group revenues grew 23% year on year.

Actuarial and Consulting

Revenue has grown 17% YoY to £52.1 million. The growth reflects client demand, expansion of services and the lagged impact of annual price increases implemented at times of higher inflation.

Investment Consulting

Revenue decreased by 2% to £10.0 million as demand normalised following growth of 48% in the previous two years.

Administration

Revenue has grown 40% year on year to £45.2 million on the back of new client wins coming on stream, strong demand for project work such as GMP equalisation and the McCloud judgement rectification. As with the Advisory business, inflationary fee increases also helped to drive the growth in the period. The number of members under administration was c. 1,070,000 at 30 September 2024; YoY increase of 2.1%.

SIP

Revenue has grown 12% to £6.1 million, driven by strong underlying sales volumes and bank commission from higher client deposits.

Operating costs

Total operating costs (excluding exceptional and non-trading items) of £85.6 million for the Group grew by 12% or £10.9 million year on year, below the growth in group revenues evidencing the Group's strengthening operational gearing. Factors contributing to the cost growth include higher number of employees from ongoing recruitment, inflationary/market driven pay increases, higher bonus accrual commensurate with trading performance, and inflationary increases in other cost lines.

Adjusted EBITDA

Adjusted EBITDA of £30.9 million is up 37% YoY with an increase in the margin to 27.2%.

Exceptional and non-trading items

During the half year ended 30 September 2024 the Group incurred £8.2 million of exceptional and non-trading charges (see note 3 for further details).

Net finance expenses

Net finance expense of £1.3 million were 50% lower than the prior year, largely due to the significant reduction in the bank debt in the second half of FY2023/24, following the disposal of the NPT business in November 2023.

Taxation

Tax charge on adjusted profit before tax for the half year was £7.0 million.

The tax charge on statutory profits was £5.2 million. The YoY increase is largely due to the impact of the increase in taxable profits.

Basic EPS

Basic EPS in the half year ended 30 September 2024 was 6.3p; up 142% YoY benefitting from a strong trading performance resulting in an increase in profits in the period.

Adjusted fully diluted EPS

Adjusted fully diluted EPS in the half year ended 30 September 2024 was 8.9p; up 53% YoY benefitting from a strong trading performance resulting in an increase in profits in the period.

Dividend

An interim dividend of 3.7p has been declared by the Board (2023: 3.0p), reflecting XPS's progressive dividend policy and our continued confidence in the Group's prospects. The interim dividend amounting to £7.7 million (2023: £6.2 million), will be paid on 7 February 2025 to those shareholders on the register on 10 January 2025.

Cash-flow, capital expenditure and net debt

The Group generated £18.8 million from operating activities. After £4.4 million on capital expenditure; paying £14.6 million in dividends; £0.9 million of interest, £1.1 million of lease liabilities; £0.6 million dividend equivalents on vesting of employee share schemes; £6.4 million on repurchasing own shares, partially offset by a net £8.0 million drawdown of committed facility, and receipt of £0.8 million on the exercise of SAYE share options by employees, the net decrease in cash was £0.4 million at 30 September 2024.

At 30 September 2024 net debt (as defined for RCF covenants and therefore excluding IFRS 16) was £22.4 million, down 67% YoY. The leverage ratio for financing covenants was 0.37x (2023: 1.55x). At 30 September 2024, the Group had £68.0 million of undrawn committed facility. The Group's RCF expires in October 2026.

Principal risks and uncertainties affecting the business

The principal risks and uncertainties affecting the Group's business activities remain those detailed within the Principal Risks and Uncertainties section of the Annual Report and Accounts for the year ended 31 March 2024 (pages 47-52).

Appendix: Reconciliation of reported/statutory results to alternative performance measures (APMs)

In order to assist the reader's understanding of the financial performance of the Group, it continues to present a range of results metrics to demonstrate its performance. These include those presented in accordance with International Accounting Standards (IFRS) and APMs. APMs exclude specific exceptional and non-trading items as set out in note 3 of the condensed consolidated financial statements.

An explanation of the Group's key APMs has been detailed below:

APM	**Closest equivalent statutory measure**	**APM definition and purpose**
Adjusted EBITDA excluding the NPT business	Profit/loss from operating activities	***Definition:*** Earnings before interest, tax, depreciation and amortisation excluding exceptional and non-trading items, and excluding the NPT business disposed of in November 2023 as if a discontinued operation. ***Purpose:*** A recognised APM which has been central to the business over many years and through different ownership structures. It allows the Group to monitor the underlying trading performance of the business without the impact of external and exceptional and non-trading factors distorting the figures.
Adjusted diluted EPS excluding the NPT business	Diluted earnings per share	***Definition:*** Reflects the profit after tax, adjusted to remove the impact of exceptional and non-trading items and the NPT business disposed of in November 2023. ***Purpose:*** Presents an EPS measure used more widely by investors and analysts and more in line with how the Group's dividends are calculated.
Leverage (Net debt/EBITDA)	Cash and cash equivalents	***Definition:*** Leverage ratio showing the amount of third-party debt excluding leases (net of cash held) relative to last twelve months adjusted pro-forma EBITDA. ***Purpose:*** Management can measure exposure to reliance on third-party debt. Leverage is the key measure in reporting to the Group's banks and driving the interest rate margin which is added to SONIA to determine the all-in rate payable.

A reconciliation of the Group's APMs to their closest statutory measure has been provided below:

1. Adjusted EBITDA excluding NPT

Half year ended 30 September	**2024**	**2023**
	£m	**£m**
Profit from operating activities	19.6	10.7
Depreciation and amortisation	6.5	6.4

Other exceptional and non-trading items	4.8	5.6
Remove trading EBITDA in respect of NPT business 1	-	(0.2)
Adjusted EBITDA excluding NPT	**30.9**	**22.5**

2. **Adjusted diluted EPS excluding NPT**

Half year ended 30 September	**2024**	**2023**
	£m	**£m**
Profit after tax and total comprehensive income	13.0	5.5
Adjustment for exceptional and non-trading items (net of tax) 2	6.5	7.5
Remove profit after tax from operating activities for NPT business 1	-	(0.2)
Adjusted profit after tax	19.5	12.8
Dilutive weighted average number of shares ('000)	220,231	219,634
Adjusted diluted EPS excluding NPT (pence)	**8.9**	**5.8**

3. **Leverage**

Half year ended 30 September	**2024**	**2023**
	£m	**£m**
Cash and cash equivalents	9.6	5.8
Bank debt 3	(32.0)	(74.0)
Contingent consideration	-	-
Net debt	22.4	68.2
Last twelve months (LTM) trading EBITDA 4	63.5	47.3
Impact of IFRS 16 ignored for bank covenants purposes 5	(3.0)	(3.2)
Pro-forma impact of M&A transactions in year 6	(0.2)	-

Adjusted EBITDA for covenant	60.3	44.1
Leverage	**0.37x**	**1.55x**

1 Profit after tax from operating activities for NPT business

The results of the NPT business in H1 2023/24 are as follows:

	6 month period ended 30 September 2023		
	Trading items	**Non-trading and exceptional items**	**Total**
	Unaudited	**Unaudited**	**Unaudited**
	£m	**£m**	**£m**
Revenue	**2.1**	**-**	**2.1**
Other operating income	**-**	**-**	**-**
Administrative expenses	**(1.9)**	**(1.7)**	**(3.6)**
Profit/(loss) from operating activities	**0.2**	**(1.7)**	**(1.5)**
Finance income	**-**	**-**	**-**
Finance costs	**-**	**-**	**-**
Profit/(loss) before tax	**0.2**	**(1.7)**	**(1.5)**
Income tax (expense)/credit	**-**	**-**	**-**
Profit/(loss) after tax and total comprehensive income for the period	**0.2**	**(1.7)**	**(1.5)**
Memo			
EBITDA	**0.2**	**(1.7)**	**(1.5)**
Depreciation and amortisation	**-**	**-**	**-**
Profit/(loss) from operating activities	**0.2**	**(1.7)**	**(1.5)**

2 See note 3 of the condensed consolidated interim financial statements

3 As per balance sheet at 30 September 2023, before the loan was paid down using proceeds from the disposal of the NPT business

4 The LTM trading EBITDA can be calculated from:

	2024	**2023**
	£m	**£m**
March 2024 (2023) full year reported adjusted EBITDA	55.3	42.4
Less: September 2023 (2022) interim results	(22.7)	(17.8)
Add: September 2024 (2023) interim results	30.9	22.7
LTM trading EBITDA	63.5	47.3

5 The Group's banking facilities agreement ignores IFRS 16 for covenant test purposes. Debt excludes lease-related liabilities and to be on a consistent basis adjusted pro-forma EBITDA includes rent-related costs as an operating expense unlike in the statutory income statement where they are treated as depreciation of right-of-use assets with a related financing cost.

6 Pro-forma related adjustments reflect the impact of M&A-related transactions as if they had been included for the whole financial year. The adjustment in both periods is to reflect the NPT sale taking place on 1 April 2023 (i.e. it removes the EBITDA that the NPT business contributed between 1 April 2023 and the point it was sold on 20 November 2023).

Condensed Consolidated Statement of Comprehensive Income

for the period ended 30 September 2024

		6 month period ended 30 September 2024			6 month period ended 30 September 2023		
		Trading items	**Non-trading and exceptional items**	**Total**	Trading items	Non-trading and exceptional items	Total
		Unaudited	**Unaudited**	**Unaudited**	Unaudited	Unaudited	Unaudited
	Note	**£'000**	**£'000**	**£'000**	£'000	£'000	£'000
Revenue	4	**113,414**	**-**	**113,414**	94,510	-	94,510
Other operating income		**-**	**-**	**-**	-	92	92
Administrative expenses		**(85,590)**	**(8,232)**	**(93,822)**	(74,650)	(9,247)	(83,897)
Profit/(loss) from operating activities		**27,824**	**(8,232)**	**19,592**	19,860	(9,155)	10,705
Finance income		**36**	**-**	**36**	20	-	20
Finance costs		**(1,383)**	**-**	**(1,383)**	(2,577)	**-**	(2,577)
Profit/(loss) before tax		**26,477**	**(8,232)**	**18,245**	17,303	(9,155)	8,148
Income tax (expense)/credit		**(6,973)**	**1,766**	**(5,207)**	(4,375)	1,693	(2,682)
Profit/(loss) after tax and total comprehensive income for the period		**19,504**	**(6,466)**	**13,038**	12,928	(7,462)	5,466
Memo							
EBITDA		**30,907**	**(4,818)**	**26,089**	22,733	(5,634)	17,099
Depreciation and amortisation		**(3,083)**	**(3,414)**	**(6,497)**	(2,873)	(3,521)	(6,394)
Profit/(loss) from operating activities		**27,824**	**(8,232)**	**19,592**	19,860	(9,155)	10,705
				Pence			Pence
		Pence			Pence		
Earnings per share attributable to the ordinary equity holders of the Company:		**Adjusted**			Adjusted		
Profit or loss:							
Basic earnings per share	5	**9.4**		**6.3**	6.2		2.6
Diluted earnings per share	5	**8.9**		**5.9**	5.9		2.5

Condensed Consolidated Statement of Financial Position

as at 30 September 2024

	Note	**30 September 2024 Unaudited £'000**	31 March 2024 Audited £'000
Assets			
Non-current assets			
Property, plant and equipment		**5,063**	3,976
Right-of-use assets		**14,682**	8,892
Intangible assets		**206,082**	208,070
		225,827	220,938
Current assets			
Trade and other receivables		**53,209**	50,922
Current income tax asset		**1,338**	-
Cash and cash equivalents		**9,574**	10,005
		64,121	60,927
Total assets		**289,948**	281,865
Liabilities			
Non-current liabilities			
Loans and borrowings	6	**31,524**	23,386
Lease liabilities		**13,045**	7,295
Provisions for other liabilities and charges		**3,048**	1,802
Deferred tax liabilities		**14,645**	15,593
		62,262	48,076
Current liabilities			
Lease liabilities		**2,225**	1,872
Provisions for other liabilities and charges		**1,086**	1,914
Trade and other payables		**41,845**	43,722
Current income tax liabilities		**-**	427
		45,156	47,935
Total liabilities		**107,418**	96,011
Net assets		**182,530**	185,854
Equity			
Equity attributable to owners of the parent			
Share capital	7	**104**	104
Share premium	8	**1,786**	1,786
Merger relief reserve	8	**48,687**	48,687
Investment in own shares held in trust	8	**(3,293)**	(2,925)
Retained earnings	8	**135,246**	138,202
Total equity		**182,530**	185,854

Condensed Consolidated Statement of Changes in Equity

for the period ended 30 September 2024

	Share capital £'000	Share premium £'000	Merger relief reserve £'000	Investment in own shares £'000	Accumulated deficit/ retained earnings £'000	Total equity £'000
Balance at 1 April 2024	**104**	**1,786**	**48,687**	**(2,925)**	**138,202**	**185,854**
Profit after tax and total comprehensive income for the period	-	-	-	-	13,038	13,038
Contributions by and distributions to owners						
Shares purchased by employee benefit trust for cash	-	-	-	(6,405)	-	(6,405)
Dividends paid (note 9)	-	-	-	-	(14,577)	(14,577)
Dividend equivalents paid on exercised share options	-	-	-	-	(591)	(591)
Share-based payment expense - equity settled from employee benefit trust	-	-	-	6,037	(5,270)	767
Share-based payment expense - IFRS2 charge	-	-	-	-	2,586	2,586
Deferred tax movement in respect of share-based payment expense	-	-	-	-	421	421
Current tax movement in respect of share-based payment expense	-	-	-	-	1,437	1,437
Total contributions by and distributions to owners	-	-	-	(368)	(15,994)	(16,362)
Unaudited balance at 30 September 2024	**104**	**1,786**	**48,687**	**(3,293)**	**135,246**	**182,530**
Balance at 1 April 2023	104	1,786	48,687	(1,350)	100,057	149,284
Profit after tax and total comprehensive income for the period	-	-	-	-	5,466	5,466
Contributions by and distributions to owners						
Shares purchased by employee benefit trust for cash	-	-	-	(4,277)	-	(4,277)
Dividends paid (note 9)	-	-	-	-	(11,825)	(11,825)
Dividend equivalents paid on exercised share options	-	-	-	-	(438)	(438)
Share-based payment expense - equity settled from employee benefit trust	-	-	-	2,822	(2,806)	16
Share-based payment expense - IFRS2 charge	-	-	-	-	2,408	2,408
Deferred tax movement in respect of share-based payment expense	-	-	-	-	466	466
Current tax movement in respect of share-based payment expense	-	-	-	-	304	304
Total contributions by and distributions to owners	-	-	-	(1,455)	(11,891)	(13,346)
Unaudited balance at 30 September 2023	**104**	**1,786**	**48,687**	**(2,805)**	**93,632**	**141,404**
Balance at 1 April 2023	104	1,786	48,687	(1,350)	100,057	149,284
Profit after tax and total comprehensive income for the year	-	-	-	-	54,167	54,167
Contributions by and distributions to owners						
Dividends paid	-	-	-	-	(18,025)	(18,025)
Dividend equivalents paid on exercised share options	-	-	-	-	(576)	(576)
Shares purchased by employee benefit trust for cash	-	-	-	(5,621)	-	(5,621)
Share-based payment expense - equity settled from employee benefit trust	-	-	-	4,046	(4,019)	27
Share-based payment expense - IFRS2 charge	-	-	-	-	4,910	4,910
Deferred tax movement in respect of share-based payment expense	-	-	-	-	1,167	1,167
Current tax movement in respect of share-based payment expense	-	-	-	-	521	521
Total contributions by and distributions to owners	-	-	-	(1,575)	(16,022)	(17,597)
Balance at 31 March 2024	**104**	**1,786**	**48,687**	**(2,925)**	**138,202**	**185,854**

Condensed Consolidated Statement of Cash Flows

for the period ended 30 September 2024

	Note	**Period ended 30 September 2024 Unaudited £'000**	Period ended 30 September 2023 Unaudited £'000
Cash flows from operating activities			
Profit after tax for the period		**13,038**	5,466
Adjustments for:			
Depreciation		**486**	394
Depreciation of right-of-use assets		**1,390**	1,572
Amortisation		**4,621**	4,374
Loss on disposal of right-of-use assets		**-**	54
Finance income		**(36)**	(20)
Finance costs		**1,383**	2,577
Share-based payment expense		**2,586**	2,408
Other operating income		**-**	(92)
Income tax expense		**5,207**	2,682
		28,675	19,415
Increase in trade and other receivables		**(2,287)**	(3,025)
Decrease in trade and other payables		**(1,683)**	(2,187)
Increase/(decrease) in provisions		**122**	(621)
		24,827	13,582
Income tax paid		**(6,068)**	(2,280)
Net cash inflow from operating activities		**18,759**	11,302
Cash flows from investing activities			
Payment of deferred consideration		**-**	(406)
Purchases of property, plant and equipment		**(1,603)**	(743)
Purchases of software		**(2,779)**	(3,369)
Net cash outflow from investing activities		**(4,382)**	(4,518)
Cash flows from financing activities			
Proceeds from existing loans		**12,000**	6,000
Repayment of loans		**(4,000)**	-
Payment relating to extension of loan facility		**-**	(200)
Repurchase of own shares		**(6,405)**	(4,277)
Proceeds from the exercise of share options settled by EBT shares		**767**	16
Interest paid		**(870)**	(2,235)
Lease interest paid		**(166)**	(119)
Payment of lease liabilities		**(966)**	(1,195)
Dividends paid to the holders of the parent	9	**(14,577)**	(11,825)
Dividend equivalents paid on vesting of share options		**(591)**	(438)
Net cash outflow from financing activities		**(14,808)**	(14,273)
Net decrease in cash and cash equivalents		**(431)**	(7,489)
Cash and cash equivalents at start of the period		**10,005**	13,285
Cash and cash equivalents at end of period		**9,574**	5,796

Notes to the Condensed Consolidated Financial Statements

for the period ended 30 September 2024

1 Accounting policies

XPS Pensions Group plc (the "Company") is a public limited company incorporated in the UK. The principal activity of the Group is that of an employee benefit consultancy and related business services. The registered office is Phoenix House, 1 Station Hill, Reading RG1 1NB. The Condensed Group Financial Statements consolidate those of the Company and its subsidiaries (together referred to as the "Group").

Basis of preparation and statement of compliance with IFRS

The annual financial statements are prepared in accordance with UK-adopted International Accounting Standards ("IAS"). These condensed financial statements have been prepared in accordance with UK-adopted IAS 34 'Interim Financial Reporting'. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the latest audited financial statements, for the year ended 31 March 2024.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2024, except for the following amendments which apply for the first time in 2024/25. However, the below are not expected to have a material impact on the Group's financial statements as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

The following new standards and amendments are effective for the period beginning 1 April 2024:

• Liability in a Sale and Leaseback (Amendments to IFRS 16 Leases);
• Classification of Liabilities as Current or Non-Current (amendments to IAS 1 Presentation of Financial Statements);
• Non-Current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial Statements); and
• Supplier Finance Arrangements (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures).

Going concern

IFRS accounting standards require the Directors to consider the appropriateness of the going concern basis when preparing the interim financial statements. The Directors have taken notice of the Financial Reporting Council guidance 'Guidance on the going concern basis of accounting and reporting on solvency and liquidity risks' which requires the reasons for this decision to be explained.

Management has prepared cash flow forecasts up to 31 March 2026, which the Directors have approved. These include the 12-month period from the date of approval of these interim financial statements. These forecasts show that during that period the Group is expected to generate sufficient cash from its operations to settle its liabilities as they fall due without the requirement for additional borrowings. The period to 31 March 2026 has been chosen as it covers the current and next financial years and includes the 12-month period from the date of signing these interim accounts. Inflationary increases have been modelled using the OBR inflation forecasts for that period, and interest rate increases have been included in the forecast based on latest market projections.

The Group's banking facility is in place until October 2026 and gives the Group access to a Revolving Credit Facility of £100 million with an accordion of £50 million. The facility is subject to two covenants - net leverage and interest cover. These covenants were not breached during the period, nor are any breaches forecast. The Group does not have any non-financial covenants.

Management has also performed some scenario modelling to further assess the liquidity of the Group. Firstly, management have modelled a scenario at which the banking covenants could potentially be breached, which is the point where going concern could be threatened. In this worst case scenario, revenue is modelled to decrease significantly, partially offset with a reduction in staff bonuses. The headroom between this scenario and current performance, and the budget and latest forecast, is significant and a decrease of this magnitude is considered to be extremely unlikely. In addition, the Group has several additional cost reduction and cash preservation levers it could utilise, which include managing staff costs through a hiring freeze or a reduction in workforce, a reduction in capital expenditure, and a reduction of dividends if this worst case scenario was to happen. Another scenario modelled was a reasonable downside scenario, where no growth is experienced in revenues not related to compliance. The result of this reasonable downside scenario was that even with no actions to reduce costs in line with the revenue decrease, the Group remained profitable and complied comfortably with its banking covenants. This reasonable downside scenario is considered to be very unlikely, as historically the Group has always performed discretionary work for its customers.

Notes to the Condensed Consolidated Financial Statements (continued)

1 Accounting policies (continued)

The Directors have reviewed the historical accuracy of the Group's budgets/forecast. The Group's prior year performance was compared to the budget/forecast, and actual revenue was within 1% of the forecast figure, and adjusted EBITDA was within 4% of the forecast figure. Actual results were ahead of forecast in both cases. This demonstrates that the Group's forecasting process is at a sufficient standard to be able to place reliance on it when making a going concern assessment. The financial performance in the current period has been favourable when compared to budget. The Directors, after reviewing the Group's budget and longer-term forecast models, including the worst case scenario referred to above, as well as the impact of the national insurance increase announced in the Autumn budget, conclude that the Group has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis of accounting in preparing these interim financial statements.

In terms of the wider macroeconomic and financial situation, the increase in the rate of inflation has stabilised at a lower level than in recent years, although management is monitoring the situation with Russia and Ukraine as well as the situation in the Middle East as any further escalations could trigger further price increases with potential for related interest rate increases. The Group does have protection for any increases in the inflation rate built into customer contracts, which stipulate that the price charged can be increased by an inflationary amount. Pricing on indexation-linked contracts continues to be reviewed and prices are uplifted accordingly as contracts are renewed. Whilst higher interest rates have led to higher finance expenses this has been modelled in the Group's forecasts and is not considered a significant risk.

Alternative performance measures (APMs)

The Group presents APMs within its interim report, these APMs are not defined under the requirements of IFRS. These include those that are visible from the consolidated statement of comprehensive income and the following key APMs: adjusted EBITDA, adjusted EBITDA margin, adjusted diluted earnings per share, and leverage. Management believes that the presentation of these APMs provides stakeholders with additional information on the underlying performance of the business, as well as aiding comparability between reporting periods by adjusting for factors which affect IFRS performance measures. These APMs are not a substitute for or superior to IFRS measures. The Group's APMs are defined, explained and reconciled to the nearest statutory measure within the Chief Financial Officer's review.

Non-trading and exceptional items

To assist in understanding its underlying performance, the Group has defined the following items of income and expense as non-trading and exceptional items as they either reflect items which are exceptional in nature or size or are associated with the amortisation of acquired intangibles and share based payments. Items treated as non-trading and exceptional include:

- Profits or losses on disposal of assets or businesses, which are considered to be non-trading in nature as these do not reflect the underlying performance of the Group. These transactions tend to be material in value, and the timing can be uncertain. The impact on the financial statements can be significant and can distort certain key performance indicators, such as basic EPS;
- Corporate transaction and restructuring costs are considered to be exceptional in nature as these can be material and are not a reflection of the underlying performance of the Group. The timing of these costs can vary, and amounts can differ significantly year on year, which can have a distortive impact on the statutory measures of performance;
- Amortisation of acquired intangibles is considered to be non-trading as this is a material number and does not reflect the underlying performance of the Group, and users of the accounts expect to be able to assess the profitability and growth of the Group excluding this figure. Additionally, this is a significant non-cash cost;
- Changes in the fair value of contingent consideration - these movements do not reflect underlying trade and the timing of these items can be significantly different from the date of the original transaction to which they relate. They do not reflect the underlying performance of the Group as a whole;
- Expenses relating to deferred consideration deemed as post-acquisition remuneration under IFRS 3 are considered to be exceptional in nature. Without the link to continuing employment, these costs would have been treated as consideration and are material in value;
- Share-based payments, which are considered a non-trading cost as they are a significant non-cash cost which are excluded from the results for the purposes of measuring performance for Performance Share Plan (PSP) awards and also dividend amounts. Additionally, the large non-cash related credits go directly to equity and so have a limited impact on the reserves of the Group; and
- the related tax effect of these items.

Notes to the Condensed Consolidated Financial Statements (continued)

1 Accounting policies (continued)

Any other non-recurring items are considered individually for classification as non-trading or exceptional by virtue of their nature or size.

The separate disclosure of these items allows a clearer understanding of the trading performance on a consistent and comparable basis, together with an understanding of the effect of non-recurring or large individual transactions upon the overall profitability of the Group.

The non-trading and exceptional items have been included within the appropriate classifications in the consolidated income statement. Further details are given in note 3.

Critical accounting estimates and judgments

The Group makes certain estimates and assumptions within the course of business. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis. In the future, actual experience may differ from these estimates and assumptions. Significant judgements are separately identified where applicable. The Directors have reviewed the accounting estimates and judgements made, and have determined that there is one critical judgement, relating to the valuation of contract assets - accrued income within the unbilled element of pensions, investment and administration services.

Management will make a judgment as to whether a project is in an accrued or deferred position at the end of each month/reporting period. This judgement is based on the time recorded against each client project versus the amount billed, as well as other factors including expected recoverability levels based on past experience the nature of the work undertaken, and to what extent the performance obligations have been met, all in line with IFRS 15.

Functional and presentation currency

The Financial Statements are presented in British Pounds which is the functional currency of all Group entities. Figures are rounded to the nearest thousand.

2 Financial information

The financial information in this report was formally approved by the Board of Directors on 20 November 2024. The financial information set out in this document does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

Statutory accounts prepared under UK adopted IFRS for the year ended 31 March 2024 for XPS Pensions Group plc have been delivered to the Registrar of Companies. The auditor's report on these accounts was not qualified, did not draw attention to any matters by way of emphasis and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

The financial information in respect of the period ended 30 September 2024 is unaudited but has been reviewed by the Group's auditor. Their report is included at the end of this document. The financial information in respect of the period ended 30 September 2023 was unaudited but was reviewed by the Group's auditor.

Notes to the Condensed Consolidated Financial Statements (continued)

3 Non-trading and exceptional items

	Period ended 30 September 2024			Period ended 30 September 2023		
	Unaudited			Unaudited		
	Total before tax	**Tax on adjusting items 5**	**Adjusting items after taxation**	Total before tax	Tax on adjusting items 5	Adjusting items after taxation
	£'000	**£'000**	**£'000**	£'000	£'000	£'000
Corporate transaction costs 1	**(1,106)**	-	**(1,106)**	(2,611)	1	(2,610)
Exceptional items	**(1,106)**	-	**(1,106)**	(2,611)	1	(2,610)
Contingent consideration write back 2	-	-	-	92	-	92
Share-based payment costs 3	**(3,712)**	**912**	**(2,800)**	(3,115)	812	(2,303)
Amortisation of acquired intangibles 4	**(3,414)**	**854**	**(2,560)**	(3,521)	880	(2,641)
Non-trading items	**(7,126)**	**1,766**	**(5,360)**	(6,544)	1,692	(4,852)
Total	**(8,232)**	**1,766**	**(6,466)**	(9,155)	1,693	(7,462)

1 The Group incurred total corporate transaction costs of £1.1 million (H1 2023/24 £2.6 million) in the period, which relates to contingent consideration in respect of the acquisition of Penfida Limited (H1 2023/24: £0.9 million). As continued employment is one part of the contingent consideration test, according to IFRS 3, the entire contingent consideration must be treated as a post transaction employment cost accruing over the deferment period of two years. The entire contingent consideration was paid in October 2024. The remainder of the costs in H1 2023/24 relate to the disposal of the NPT business by the Group. The overall corporation transactions costs are material and do not reflect the underlying performance of the Group. Users of the accounts expect these costs to be disclosed separately, to aid visibility of underlying performance. The timing of these costs can also vary and are not normally aligned with the related benefits of the transaction.

2 The prior year contingent consideration write back relates to the revaluation of the contingent consideration for the Michael J Field (MJF) acquisition. This income is deemed to be exceptional in nature as it is linked to a payment set out in the business transfer agreement for the MJF acquisition in February 2022. This income is not related to underlying business performance and so is disclosed as non-trading income. Management does not include this figure in income when reviewing overall business performance. There are no further payments to be made in respect of this acquisition.

3 Share-based payment expenses and related National Insurance are included in non-trading and exceptional costs as they are significant non-cash costs which are excluded from the results for the purposes of measuring performance for PSP awards and dividend amounts. Additionally, the largely non-cash related credits go directly to equity and so have a limited impact on the reserves of the Group. They are therefore shown as a non-trading item to give clarity to users of the accounts on the profit figures that dividends and PSP performance are based on.

4 During the period the Group incurred £3.4 million of amortisation charges in relation to acquired intangible assets (customer relationships) (H1 2023/24: £3.5 million). As this figure is material, and is linked to non-trading activity, management excludes this cost when reviewing and reporting on the underlying performance of the Group. Similarly, users of the accounts expect to be able to assess the profitability and growth of the Group excluding this figure.

5 The tax credit on exceptional and non-trading items of £1.8 million (H1 2023/24: £1.7 million) represents a credit of 21% (H1 2023/24: 18%) of the non-trading and exceptional items incurred of £8.2 million (H1 2023/24: £9.2 million). This is different to the expected tax credit of 25% (H1 2023/24: 25%), as various adjustments are made to tax including for deferred tax and the exclusion of amounts not allowable for tax.

Notes to the Condensed Consolidated Financial Statements (continued)

4 Operating segments

In accordance with IFRS 8 'Operating Segments', an operating segment is defined as a business activity whose operating results are reviewed by the chief operating decision maker ('CODM') and for which discrete information is available. The Group's CODM is the Board of Directors.

The Group has one operating segment, and one reporting segment due to the nature of services provided across the whole business being the same, pension and employee benefit solutions. The Group's revenues, costs, assets, liabilities and cash flows are therefore totally attributable to this reporting segment. The table below shows the disaggregation of the Group's revenue, by product line.

	Period ended 30 September 2024 Unaudited	Period ended 30 September 2023 Unaudited
Revenue from external customers	**£'000**	£'000
Actuarial and Consulting	**52,107**	44,422
Administration	**45,233**	32,370
Investment Consulting	**10,011**	10,185
SIP [1]	**6,063**	5,415
National Pension Trust (NPT) [2]	-	2,118
Total	**113,414**	94,510

1 Self Invested Pensions (SIP) business, incorporating both SIPP and SSAS products.

2 The NPT business was sold on 20 November 2023.

5 Earnings per share

	30 September 2024 Unaudited £'000	30 September 2023 Unaudited £'000
Profit for the period	**13,038**	5,466
Weighted average number of shares:	**'000**	'000
Weighted average number of shares in issue	**207,273**	206,947
Effects of:		
Outstanding share options	**12,958**	12,687
Diluted weighted average number of ordinary shares	**220,231**	219,634
Basic earnings per share (pence)	**6.3**	2.6
Diluted earnings per share (pence)	**5.9**	2.5

The calculation of basic earnings per share is based on the earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the period.

Adjusted earnings per share

	30 September 2024 Unaudited £'000	30 September 2023 Unaudited £'000
Adjusted profit after tax	**19,504**	12,928
Adjusted basic earnings per share (pence)	**9.4**	6.2
Diluted adjusted earnings per share (pence) - total	**8.9**	5.9

The adjusted profit after tax is the trading profit after tax and excludes the exceptional and non-trading items disclosed in note 3.

Notes to the Condensed Consolidated Financial Statements (continued)

6 Loans and borrowings

At 30 September 2024, the Group had drawn down £32.0 million (31 March 2024: £24.0 million) of its £100.0 million revolving credit facility. The current Revolving Facility Agreement was entered into on 12 October 2021 and had a 4-year term, which was extended in April 2023 by one year to October 2026. Interest is calculated at a margin above SONIA (Sterling Overnight Index Average), subject to a net leverage test. The related fees for access to the facility are included in the consolidated statement of comprehensive income.

Capitalised loan-related costs are amortised over the life of the loan to which they relate.

Total debt net of capitalised arrangement fees was £31.5 million (31 March 2024: £23.4 million).

Net debt for bank reporting purposes:

	Period ended 30 September 2024 Unaudited £'000	Period ended 31 March 2024 Unaudited £'000
Drawn revolving credit facility	**32,000**	24,000
Contingent consideration	-	-
Less: cash	**(9,574)**	(10,005)
Net debt	**22,426**	13,995

7 Share capital

	Ordinary shares ('000) 30 September 2024	Ordinary shares (£'000) 30 September 2024	Ordinary shares ('000) 31 March 2024	Ordinary shares (£'000) 31 March 2024
In issue at the beginning of the period	**207,545**	**104**	207,443	104
Issued during the period	**794**	**-**	102	-
In issue at the end of the period	**208,339**	**104**	207,545	104

	30 September 2024 ('000)	30 September 2024 (£'000)	31 March 2024 (000)	31 March 2024 (£'000)
Allotted, called up and fully paid				
Ordinary shares of 0.05p (March 2024: 0.05p) each	**207,239**	**104**	206,032	103
Shares held by the Group's Employee Benefit Trust				
Ordinary shares of 0.05p (March 2024: 0.05p) each	**1,100**	**-**	1,513	1
Shares classified in shareholders' funds	**208,339**	**104**	207,545	104

The Group has invested in the shares for its Employee Benefit Trust ('EBT'). These shares are held on behalf of employees and legal ownership will transfer to those employees on the exercise of an award. This investment in own shares held in trust is deducted from equity in the consolidated statement of changes in equity.

8 Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Retained earnings:	All net gains and losses recognised through the consolidated statement of comprehensive income.
Share premium:	Amounts subscribed for share capital in excess of nominal value.
Merger relief reserve:	The merger relief reserve represents the difference between the fair value and nominal value of shares issued on the acquisition of subsidiary companies.
Investment in own shares:	Cost of own shares held by the EBT.

Notes to the Condensed Consolidated Financial Statements (continued)

9 Dividends

Amounts recognised as distributions to equity holders of the parent in the period

	30 September 2024 Unaudited £'000	30 September 2023 Unaudited £'000
Final dividend for the year ended 31 March 2024: 7.0p per share (2023: 5.7p)	**14,577**	11,825

	30 September 2024 Unaudited £'000	30 September 2023 Unaudited £'000
Interim dividend for the year ending 31 March 2025 of 3.7p (2024: 3.0p)	**7,664**	6,209

The final dividend for 2023/24 was paid on 23 September 2024. The final dividend has been reflected in the Statement of Changes in Equity.

The interim dividend was approved by the Board on 20 November 2024 and has not been included as a liability at 30 September 2024.

10 Related party transactions

Key management emoluments during the period

	30 September 2024 Unaudited £'000	30 September 2023 Unaudited £'000
Emoluments	**563**	536
Share-based payments	**1,026**	772
Company contributions to money purchase pension plans	**15**	15
Social security costs	**104**	71
	1,708	1,394

Directors' bonuses are not included in the emoluments figure at 30 September 2024 or 30 September 2023 as the bonus amount is dependent on full year results and is also at the discretion of the Remuneration Committee.

922,615 shares were exercised by Directors in the period (H1 FY24: nil).

Non-executive emoluments during the period

	30 September 2024 Unaudited £'000	30 September 2023 Unaudited £'000
Emoluments	**250**	165
Social security costs	**31**	20
	281	185

11 Financial Instruments

The fair values and the carrying values of financial assets and liabilities are not materially different.

Responsibility Statement

We confirm that to the best of our knowledge:

a) the condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting' and provide a true and fair view as required by DTR 4.2.10;

b) the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of the important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

c) the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

On behalf of the Board,

Snehal Shah
Chief Financial Officer

20 November 2024

INDEPENDENT REVIEW REPORT TO XPS PENSIONS GROUP PLC

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2024 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2024 which comprises of the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Statement of Financial Position, the Condensed Consolidated Statement of Changes in Equity, the Condensed Consolidated Statement of Cash Flows and related notes.

Basis for conclusion

We conducted our review in accordance with Revised International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("ISRE (UK) 2410 (Revised)"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410 (Revised), however future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities of directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

BDO LLP

Chartered Accountants

London, UK

20 November 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

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